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NEWS SUMMARY

GENERAL

Drug article ban rapped

The European Court of Human Rights ruled that the 1972 UK court injunction stopping the Sunday Times publishing an article on the drug, Thalidomide, violated the European convention on human rights.

The decision, in support of claims made by the newspaper over its right to publish the article, has profound implication for British law on contempt of court.

The original injunction was granted by the High Court on the application of the Attorney-General. A few months later, the Appeal Court lifted the ban, but its decision was reversed by the Lords. Back Page

Syrian MiGs fly over Beirut

Syrian MiGs flew over Beirut and other Lebanese areas in a show of force after Palestinians and Israelis agreed to stop shelling each others' positions near Tyre. Page 4

Ezer Weizman, Israeli Defence Minister, and President Sadat discussed the handover of Sinai's capital, El Arish, in Cairo.

Vietnam 'fraud'

China dismissed a Vietnamese "peace proposal" as a fraud and put forward instead an eight-point framework for negotiations on hostilities between the two countries, as the countries began their second session of talks in Hanoi. Page 4

Ban on Front

Sheffield City Council rejected a National Front application to hold an election-meeting in the city's biggest immigrant area, Attercliffe, on Monday.

Giscard visit

President Giscard d'Estaing of France, in Moscow for talks with President Leonid Brezhnev, is expected to sign a 10-year economic co-operation treaty with the Soviet leader. Page 3

Move on Kurds

The Iranian army was reported pushing towards the western border with Iraq, apparently with the aim of recapturing military strongholds controlled by Kurdish guerrillas.

Sth Africa code

The European Parliament is expected to approve a controversial report on the application of the code of conduct for EEC companies operating in South Africa. Page 2

Murder hunt

Police investigating the killing of John George, in a Surrey wood, threw a cordon around the Somerset village of Beckington in a bid to trace the killers.

Belfast blaze

Fire severely damaged the offices of the Motor Tax Department in Belfast after two bombs exploded within five minutes of each other. They were believed to have been planted by a four-man armed gang.

Briefly . . .

First of the IRA prisoners taking part in the Maze prison H block protest, was released after serving his sentence.

Record number of 5.3m Britons are expected to take holidays abroad this year. Page 10

Mobil Oil Exploration Norway was fined NKr 1m (£98,000) following the deaths in a fire of five people on a North Sea drilling platform. Page 3

World Council of Churches said South Korea's economic miracle had been achieved by low wages, torture and intimidation.

BUSINESS

Equities lose 5.8; £ gains 15 points

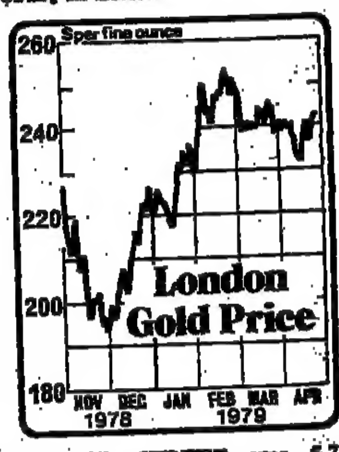
● EQUITIES lost early gains on some profit-taking and the market faltered after the two-day upsurge. The FT 30-share index closed 5.8 down at 546.9. Gold mines index, however, rose 3.6 to 155.2.

● GILTS drifted down to a shade easier, although shorts made some initial progress. The Government securities index fell 0.05 to 74.80.

● STERLING rose 15 points to $2.0430 and its trade-weighted index was unchanged at 66.1.

● DOLLAR showed little change, its trade-weighted index was 86.0 per cent (85.9).

● GOLD closed unchanged at $242¼ in London.



● WALL STREET was 5.71 lower at 861.75 near the close.

● WEST GERMANY led the currency reserves table with 41.36bn SDRs (£25.68bn) at the end of 1978, says the IMF. Japan was next, followed by Switzerland and the U.S.

● CAPITAL MARKETS Sub-Committee of West Germany has decided on a small volume of new foreign D-mark bonds, totalling DM 475m, for next month. Page 33

● NEWSPRINT makers Reed and Bowater are considering a £115m joint venture to produce newsprint at Fort William, Scotland, where Wiggins Teape plans to close a pulp mill. Back Page; Bowater annual report, Page 28

● BRITISH PETROLEUM is to cut its contract oil supplies to Japanese third party importers by a total of 55 per cent from this month and plans similar cuts to other countries. Back Page

● GOVERNMENT aid to Scottish industry increased from £205m in 1973-74 to £329m last year, but was a 17 per cent fall in real terms because of inflation, says the Fraser of Allander Institute. Page 10

● CHEMICAL imports rose 18 per cent by volume last year and penetration into the British market increased to 32 per cent from 28 per cent. Page 8

● HIGH COURT will rule today whether the National Enterprise Board exceeded its powers in seeking a joint computer venture between one of its subsidiaries and a U.S. group. Page 8

COMPANIES

● VICKERS profits dropped from £25.06m to £11.7m last year, partly because of a setback in Canada and heavier offshore engineering losses. Page 26 and Lex

● HOOVER reports pre-tax losses of £619,000 for the first quarter of 1979, compared with profits of £2.4m, despite a 24 per cent rise in sales. Page 26 and Lex

● AMALGAMATED POWER Engineering, the steam turbine and diesel engine maker, increased taxable profits to £6.78m (£6.29m) for 1978. Page 28

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. Variable 83	£94⅛	+ ⅛
Brown and Jackson	640	+ 40
Cape Inds.	192	+ 6
Catalin	78	+ 9
Cradley Printing	27	+ 5
Fogarty (E.)	270	+ 16
Gibbons Dudley	94	+ 5
Gibbs Mew	170	+ 6
HK and Shanghai	164	+ 8
Imry	660	+ 28
London Prov. Shop	244	+ 16
Menzies (J.)	240	+ 7
Pleasurama	165	+ 8
Thorn Elect.	478	+ 4
Tomatin	181	+ 7
Highlands	112	+ 7
Conzinc Riotinto	238	+ 11
Haoma Gold	30	+ 5
Kloof Gold	624	+ 19
MIM Hldgs.	220	+ 7
Rustenburg	135	+ 5
Southvaal	528	+ 20

FALLS

Amal. Power	136	− 8
Bambers	273	− 22
Beecham	722	− 8
Flight Refuelling	280	− 6
GKN	293	− 8
Hoover A	170	− 10
ICI	403	− 7
Kynoch (G. and G.)	55	− 10
London & European	34	− 3
Lucas Inds.	296	− 7
Perry (H.)	172	− 7
Richardsons Wstgth.	36	− 7
Saga Holidays	186	− 5
Sheffield Brick	62	− 4
Spillers	45	− 2½
Burmah Oil	120	− 4
Clyde Pet.	154	− 6
RTZ	336	− 8

Petrol shortage in U.S. likely this year

Carter orders oil for heating to be stockpiled

BY DAVID LASCELLES IN NEW YORK

President Jimmy Carter has told the Department of Energy to stockpile oil to ensure that enough heating fuel is available next winter. At the same time, he has warned that this would divert oil away from petrol production and create petrol shortages this summer and next winter.

Mr. Carter's action follows the tightening of U.S. oil supplies owing to the Iranian production cutback and high consumption. According to the White House, heating oil reserves are at 110m barrels, compared with the normal April level of 140m barrels. The Energy Department's aim is to raise this to 240m barrels by October.

The American Petroleum Institute also reports that petrol consumption is running at about 7.4m barrels a day, 2.5 per cent more than last year. Last week, petrol stocks stood at 233.3m barrels compared with 255.6m barrels a year earlier.

Mr. Carter, who announced his decision while on a fund-raising effort in New Hampshire on Wednesday, told his audiences flatly: "The gasoline shortage is real. It's not going to leave.

"I have had to mandate to the Secretary of Energy that a certain amount of oil production be set aside to heat your homes next winter.

"That is going to mean that not quite so much gasoline is going to be produced because you either produce heating oil or you produce gasoline."

The Department of Energy said yesterday it would be presenting details of Mr. Carter's heating oil plan to Congress within a few days. It stressed that it already had the authority to direct refineries to produce more heating oil if necessary.

But as Mr. Carter was speaking, the House Commerce Committee rejected his proposals for an emergency petrol rationing programme should stocks reach dangerously low levels.

Although the proposal could be revived on the House floor, this means that three of Mr. Carter's four proposals to save fuel have been squashed in Congress. The other two were the week-end closure of petrol stations and curbs on illuminated advertising. The only survivor is his proposal to limit temperatures in public and office buildings.

Congress is still unconvinced that the country faces a serious energy crisis. However, Mr. Carter's action on heating oil is the firmest and most specific step he has yet taken on energy conservation, and it underlines the difference between his attitude and that of Congress.

Inflow into life assurance and pension funds up 31%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

NET INFLOWS into life assurance companies and pension funds rose by 31½ per cent last year to £7.73bn, more than double the total only four years before.

That is shown by figures for institutional investment published yesterday by the Central Statistical Office. The big rise in inflows last year was partly the result of the changes following from the introduction of the new state pension scheme in April, 1978.

The sharp increase in inflows in recent years is chiefly attributable to the rapid rate of inflation in the late 1970s. Contributions have risen in line with higher earnings and funds have been topped up by employers to cover larger future pension liabilities. Moreover, high interest rates have boosted income receipts.

However, the future rate of growth of inflows could be much slower if the inflation rate were significantly reduced.

The pattern of investment has been affected by fluctuations in share values and property prices. In the last couple of years those funds have invested nearly half their annual inflows in British Government securities. That amounted to £3.75bn in 1978.

INSTITUTIONAL INVESTMENT
£m

	Govt. secs.	Coy. secs.	Prop.
1977	2,949	1,761	905
1978	3,745	2,138	1,078
1st	906	535	375
2nd	1,240	424	208
3rd	907	558	250
4th	692	621	245

Source: Central Statistical Office

The high proportion of gilt-edged purchases reflects the continuing large borrowing needs of central government, which have been successfully financed only through a high level of interest rates.

In addition, availability of other securities has been limited. Pensions and life companies bought £2.14bn of company securities last year, but most came from sales of existing stock by private investors rather than from the issue of new equity by companies.

Those institutions purchased proprety worth £1.08bn last year, compared with £905m in 1977.

The new official figures show the sources and uses of funds of all financial institutions with the exception of banks. Inflows into those institutions fell from £15.2bn to £14.99bn between 1977 and 1978, mainly because of a reduction in National Savings Bank investment deposits and smaller inflows into building societies.

The institutions bought £4.78bn of British Government securities in 1978, compared with £4.69bn in the previous year. A rise in pension fund and life company purchases was offset by smaller buying by other institutions.

Purchases of property rose by 23¼ per cent to £1.3bn. Buying of overseas Government securities also rose sharply, from £75m to £225m, mainly during the last three months of 1978 as UK investors bought Irish gilt-edged stock ahead of the decisions about membership of the European Monetary System.

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No nationalisation of banks, says Dell, Back Page

Engineers union warns of action

BY ALAN PIKE, LABOUR CORRESPONDENT

THE INCOMING Government could face the threat of national industrial action in the engineering industry almost immediately after next week's general election.

Delegates to the Amalgamated Union of Engineering Workers' national committee yesterday decided to recall the meeting immediately after pay negotiations resume with the Engineering Employers' Federation on May 9.

This will determine the form of industrial action to be taken unless the employers make satisfactory improvements in what Mr. Terry Duffy, the union president, described as a "disgusting" wage offer.

The union has rarely taken industrial action over its national agreement, but there is anger this year because of a suspicion that the employers are trying to exploit the shift to the right in the union leadership. Earlier this year employers issued a tough set of guidelines to their members urging them to stand up to industrial disputes. Mr. Duffy yesterday described them as "provocative."

Actual earnings of most engineering workers are determined at plant level, with national rates used to calculate overtime and premium rates throughout the industry.

Leaders of the AUEW and other unions in the Confederation of Shipbuilding and Engineering Unions are considering the options of one-day strikes, an overtime ban or indefinite strikes at selected companies.

The possibility of the negotiations ending in a clash increased when Mr. Duffy made it clear yesterday that the national committee would still be recalled to consider industrial action if the employers made an acceptable offer on wages but refused to yield on other aspects of the claim.

He placed particular emphasis on the need to achieve a reduction in working hours — a demand on which the employers have stressed that there is nothing on offer.

The engineering employers who could have set the pace on the working week issue would not agree to a reduction of even one hour, said Mr. Duffy. Employers of this nation and other nations were determined to prevent a breakthrough on reduced working hours.

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Inflation rate rises to 13% in U.S.

By David Buchan in Washington

UNITED STATES consumer prices rose by 1 per cent last month, bringing inflation to a seasonally adjusted annual rate of 13 per cent for the first quarter of this year—the highest level for four and a half years.

The rise in the March consumer price index, published by the U.S. Commerce Department, was only slightly down from the 1.2 per cent increase in February.

The U.S. Government is forecasting an improvement in coming months, based in part on the sharp slowdown in economic growth in the first three months of this year when gross national product grew at only a 0.7 per cent annual rate.

But Mr. Alfred Kahn, President Jimmy Carter's anti-inflation adviser, was yesterday reported as conceding that the Administration's prediction of an overall 1979 inflation rate in the range of 7.5 per cent would not be met.

As President Carter was reminded in New Hampshire on Wednesday when he wooed potential voters in next February's primary elections, inflation is the electorate's prime concern. But determined though he was to curb it, Mr. Carter said, he would not do so "through a planned recession that will take jobs away from millions of Americans."

He has also ruled out mandatory wage and prices controls, as demanded by some portions of the trade union movement. Mr. William Miller, the Federal Reserve chairman, this week called such controls "absolutely unacceptable."

One cause for doubt in the Administration's prediction of an improved inflation rate soon is the rise in petrol prices, which went up by 3.8 per cent last month. There is little likelihood, with Mr. Carter's decontrol of domestic oil prices from this June, coupled with the expected OPEC oil price increases this year, that this rate of increase will slow much.

The other main culprit in the consumer price figures were meat prices, which rose 2.7 per cent in March.

£ in New York

—	April 25	Previous
Spot	$2.0395-0405	$2.0630-0640
1 month	0.46-0.41 dis	0.30-0.25 dis
3 months	0.93-0.88 dis	0.80-0.75 dis
12 months	2.75-2.65 dis	2.25-2.15 dis

Heath backs Tory moves to curb unions

BY RICHARD EVANS, LOBBY EDITOR

POWERFUL SUPPORT for Conservative Party plans to introduce legislation curbing the powers of the trade unions came last night from Mr. Edward Heath, in a move that was warmly welcomed by Tory election campaign managers.

The former Premier supported Mrs. Thatcher on possibly the most contentious aspect of the Conservative programme.

In addition, he attacked Mr. Callaghan and the Labour Cabinet for their "fatuous" attitude that the law should never be introduced into industrial relations.

He argued that if the TUC found that its voluntary agreement with the Government was not being observed then there could be no objections if the provisions were embodied in the law.

Mr. Heath's active support for the Tatcher campaign—particularly on the issue of industrial relations, which brought his Government into such conflict with the trade unions—will raise once more the question of his role in a Conservative administration if Mrs. Thatcher gains office after May 3.

By general consent he has pursued an intensive and effective election campaign, preventing any damaging attempt by Labour politicians to exploit a Tory Party split.

There now appears to be little prospect of him becoming Foreign Secretary, a role that will probably go to Mr. Francis Pym. Neither is it likely that Mr. Heath would be picked for a major economic or industrial department as this could bring him too easily into conflict with Mrs. Thatcher's views. One suggestion that has been made is that he could head a much upgraded defence department.

Mr. Heath, speaking in Manchester, said that what was entirely unacceptable was the view that Parliament can never and should never approve any legislation, nor should a Government pursue any policy, unless the trade unions themselves approve of it." He could not believe there was much support for such an extreme view.

Even if the voluntary concordat was successful, it would mean a total increase in inflation of nearly 30 per cent over the next three years. "Does Mr. Callaghan really believe the country can afford that," Mr. Heath asked.

But Mr. Callaghan last night stuck firmly behind his policy of a voluntary agreement with the unions which he sees as a potential votewinner—despite recent memories of industrial unrest.

The Prime Minister argued in an interview on the Thames Television programme TV Eye that the laws did cover the trade unions in many ways. What he was against was introducing further laws rather than relying on an effective agreement.

"That is the only way forward for this country. Of course, the country can try other ways—that is what this election is about. But I say to you that they will come back to this approach in the end."

In his view, the concordat was far better than the Conservative attempt to use the law in a cosmetic way. Legislation would not deal with the root

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Bread prices frozen
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New Daimler-Benz chief

BY JONATHAN CARR IN BONN

THE NEW executive chairman of Daimler-Benz, one of the top jobs in West German industry, is to be Dr. Gerhard Prinz, at present board member responsible for purchasing. He will succeed Dr. Joachim Zahn, who reached the retiring age of 65 on January 1.

The unanimous decision was taken yesterday in Stuttgart by the company's 20-member supervisory board. It was simultaneously announced that Daimler-Benz turnover rose by more than DM 1bn to DM 27bn (£7bn) in 1978 and that the satisfactory sales trend had continued in the first three months of this year.

It had long been expected that Daimler-Benz would appoint a successor to Dr. Zahn from within the company and the decision naming Dr. Prinz was no great surprise.

Dr. Prinz, aged 50, joined the board in 1974 after six years with Volkswagen. He is taking over a company employing more than 173,000 people worldwide and with an almost uncanny ability to shrug aside the problems which afflict many of its competitors.

Profile Page 2

EUROPEAN NEWS

Bonn shelves development aid move

BY ADRIAN DICKS IN BONN

THE WEST German Cabinet yesterday effectively shelved a decision on how much to increase development aid, but committed itself to a "distinct" build-up in aid disbursements over the next few years.

During talks all day on Wednesday and well into the early hours of yesterday, no fundamental change of emphasis appeared to have been achieved either by those Ministers who wish to see an immediate, specific increase in aid commitments on the eve of the UNCTAD V conference in Manila, or by their opponents.

Herr Rainer Offergeld, Aid Minister, and Count Otto Lambsdorff, Economics Minister—both believed to be strongly in favour of a pre-UNCTAD commitment—yesterday stressed their acceptance of the compromise reached by the Cabinet.

According to this, specific targets and rates of disbursement will not be fixed before early July, when the Government is due to set Budget targets for 1980 and lay out the main elements of its medium-term financial plans up to 1983.

Herr Offergeld had proposed raising aid totals by an average 20 per cent for the next three years, to reach the UN—approved target of official transfers equal to 0.7 per cent of the gross national product for all industrial donor-countries.

He repeated that he considered this rate of increase to be entirely feasible, but conceded that Bonn could not reach the 0.7 per cent target any sooner.

Count Lambsdorff, who together with his Free Democratic Party colleague, Herr Hans-Dietrich Genscher, the Foreign Minister, had also favoured a similar rate of increase.

But he warned that the prospect of further oil price rises would make it harder for West Germany to raise aid spending.

The Cabinet discussions saw the Free Democratic Ministers, together with a minority of Social Democrats including Herr Offergeld, apparently overruled by Chancellor Helmut Schmidt and Herr Hans Matthoefer, the Finance Minister.

They remain unconvinced evidently by the argument that West Germany could only strengthen its position at the Manila conference early in May by spelling out what it plans to offer.

Count Lambsdorff, whose officials have had much to do with defining the German position in all these matters, sought yesterday to emphasise the points on which Bonn can foresee agreement at Manila.

These included its pledge to complete negotiations over the Common Fund and improve access to the European community for developing countries' manufactured goods.

COUNT OTTO LAMBSDORFF

Comecon chief in talks on Czech oil needs

BY PAUL LENDVAI IN VIENNA

CZECHOSLOVAKIA'S need for more Soviet gas and oil, and Comecon projects to develop raw material resources in the Soviet Union are understood to be at the centre of talks which Deputy Premier Konstantin Katushev, the Soviet Union's chief Comecon representative, is conducting in Prague.

Mr. Katushev, who arrived on April 21 on a "working visit" in the Czechoslovak capital, is bound to be confronted with the problem of the Iranian gas deliveries.

Czechoslovakia in 1976 concluded a $2.5bn deal with Iran for the delivery of gas between 1981 and 2003.

Premier Lubomir Strougal told Parliament on March 28 that the contracts were "binding and valid" and that the Government was in touch with Iranian representatives. But it is no longer certain that Czechoslovakia can count on those deliveries.

Furthermore, the issue is connected with the Soviet Union itself receiving natural gas from Iran. It was planned that the Soviet Union should use Iranian gas and, in turn send an equal amount to Czechoslovakia and Hungary.

Another doubtful project is the Adria pipeline from Yugoslavia to Czechoslovakia and Hungary, which partly would have transported Iranian crude to Central Europe.

As a resource-poor country, Czechoslovakia is heavily dependent on imports of raw materials, particularly fuels.

The Soviet Union supplies 93 per cent of Czechoslovakia's crude oil needs — 18.3m tons annually. But Radio Prague, in a programme devoted to energy problems, announced recently that Czechoslovakia will have to be satisfied with lower imports.

At the recent meeting of Parliament, Mr. Strougal candidly admitted that the Government had rejected drafts for the 1981-85 plan because they were based on the demands for excessive imports.

New report on EEC, S. Africa dealings

By Margaret Van Hattem in Strasbourg

THE EUROPEAN Parliament yesterday evening was expected to approve a controversial report on the application of the code of conduct for EEC companies operating in South Africa.

The report was withdrawn from the agenda of the previous session of Parliament last month and extensively re-written when it was found to contain several passages indirectly supporting the South African government's apartheid policy. The report at that stage suggested, among other things, that a policy of one man—one vote would be inappropriate and possibly counter-productive in South Africa.

The report, as presented yesterday, no longer contains this passage. It strongly condemned the apartheid policy and says the code of conduct adopted in September 1977 is "imprecise and superficial." It calls for a tightening-up of several of its provisions, possibly with sanctions on EEC companies whose subsidiaries or branches fail to co-operate in its implementation. ... ...

However the report rejects as "unrealistic and counter-productive" proposals for a general economic boycott by the EEC against South Africa. It says such a boycott would hit South Africa's black population harder than its white population.

DAIMLER CHAIRMAN STEPS DOWN AFTER 14 YEARS

Zahn successor will keep same winning formula

BY JONATHAN CARR IN BONN

DAIMLER-BENZ has taken its expected decision to appoint Dr. Gerhard Prinz as new executive chairman from next January. Also as expected, it has announced a successful start to what looks like yet another good year.

Some have already spoken of the end ofa n era at one of the world's most successful vehicle companies—with the stepping-down of Dr. Joachim Zahn, 65, who has held the top post for 14 years.

While that is true in a personal sense, the company's investment programme, order books and obvious sense of supreme self-confidence, all indicate that even with the management change, the Daimler-Benz success story will go on as before.

This longer view would be entirely in accord with Dr. Zahn's own fierce disinclination to look at annual, let alone monthly, figures in isolation.

He was always one for the grand, long-term strategy—one which enabled his company to coast through the 1974-75 period on its bulging order books, almost as though no oil crisis had occurred—and no recession, to speak of, either.

It was characteristic of Dr. Zahn that he once began an article in a West German business magazine with the quotation from a Taoist sage—"He sees clearly who sees from afar. He who takes part closely sees clouds."

It would be foolish to suggest that Dr. Zahn's Olympian attitudes have made him as well liked as he is widely admired.

Dr. Prinz is seen as a more approachable figure—though his handling of the company's purchasing business, along with other special negotiating tasks, has shown that the steel is there when needed.

But he did have possible rivals—the main one being Dr. Edzard Reuter, who will take over the company finance responsibilities which Dr. Zahn combines with the chairmanship.

But Dr. Reuter's present planning responsibilities will go to Dr. Prinz when he takes over the top post.

The new figures released by the company appear to mark an even more sharp upsurge than usual. Sales were up to DM 7.3bn (£1.8bn) in the first quarter compared with DM 6.1bn (£1.5bn) in the same period of 1978.

Car production was up 28 per cent to 110,000 units, and domestic lorry production up 10 per cent to about 47,000.

Istanbul May Day rally banned

BY METIN MUNIR IN ANKARA

THE MARTIAL law administrator of Istanbul yesterday issued a statement banning the May Day rally planned to be held at the city's main square by the Confederation of Revolutionary Trade Unions of Turkey (DISK) and other Left-wing organisations.

There was no immediate comment from DISK. But its leaders had earlier declared that the rally would be held "even if hundreds of thousands of people are jailed."

General Necdet Urug, the martial law administrator, said that he had banned the rally because "it will severely disrupt law and order." He warned that if it were held despite the ban, the leaders of the organisations who participated in the rally would bear "serious responsibility" for any incident which might break out.

DISK is the second biggest workers' confederation in Turkey with an estimated membership of around 250,000, most of them in the Istanbul region. The confederation is pro-Moscow. It has been generally supporting the policies of Mr. Bulent Ecevit, the Prime Minister, though not his attempts to introduce a social contract. It has been pressing for legalisation of the Communist Party.

Apart from DISK more than a dozen organisations, including some left-wing political parties, were to have participated in the May Day rally.

A confrontation, which may be both violent and politically embarrassing to Mr. Ecevit, may take place if DISK carries out its threat to hold the rally despite the ban. General Urug pointed out yesterday that the security forces were under orders to fire on people disregarding their commands.

Meanwhile, the Turkish Parliament, during a heated session on Wednesday, endorsed Mr. Ecevit's decision to extend martial law for two months. It has already been in effect for four months.

Six more provinces, where the population is predominantly Kurdish, were placed under martial law along with 13 others where there has been a state of emergency since last December.

Giscard outlines action policy

BY DAVID WHITE IN PARIS

PRESIDENT Valery Giscard d'Estaing, before leaving for Moscow yesterday, set out a list of guiding principles for his Government over the next six months, amid almost ceaseless attacks from the leadership of his Gaullist coalition partners.

The French President's policy guidelines came in a "My Dear Prime Minister" letter addressed to M. Raymond Barre — a formula used after the Government was returned to power in March last year and again in October.

The leter stated that the commitments made last October, when strong emphasis was put on economic recovery, had been fulfilled.

This time, Mr. Giscard put forward four main aims—adaptation of the "State apparatus," adaptation of the economy to international conditions, cushioning the effects of world economic problems, and improving the qualityl of life.

The guidelines were accompanied by a detailed calendar of planned Government action in these fields.

Under the heading of "State apparatus," M. Giscard puts emphasis on the problems of bureaucracy and security, urging a determined effort on the latter.

For the economy, the stress is put on modernisation and innovation, a new framework for farm growth, and more support for small companies.

Measures to soften the impact of redundancies include reform of the National Employment Agency and preparation of a new pact on youth employment, recently announced by the President on television.

The distaste the President showed on television for the "hurly-burly" of in-fighting in the Government Majority appears to have provoked M. Jacques Chirac, the Gaullist leader, to intensify his attacks at the start of the European election campaign.

M. Chirac warned M. Giscard yesterday against intervening in the election by supporting his own UDF Party's list of election candidates.

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Spanish hotel strike ends

By David Gardner

THE HOTEL strike on the Costa del Sol has ended after agreement between unions and employers.

Hotels and bars in Malaga were reported to be back to normal yesterday, while both sides counted the cost of this bitter 18-day conflict, which has cost the local tourist industry an estimated Pta 2bn (£14.3m).

The agreement is based on the Government-imposed terms, or "laudo," which provoked the strike.

But employers have agreed to take back the more than 500 dismissed strikers, and limit sanctions to 30 days' suspension without pay, to include the 18 days of the strike.

The unions have agreed to call off the national strike threatened earlier this week, but will still hold assemblies throughout the industry today.

These will be to discuss future strategy against the "laudo" system, a residue from Francoist labour law introduced in the mid-1960s.

The national strike's failure to materialise must be considered a blow to the credibility of the two main unions, the Socialist UGT and Communist-led Workers Commissions (CCOO).

Chemical arms talks hold-up

By Brij Khindaria in Geneva

THE U.S. and the Soviet Union have rejected a call by other partners in the 30-nation disarmament committee in Geneva for disclosure of the details of their bilateral talks concerning a proposed ban on the use of chemical weapons.

The other nations, led by the non-aligned countries and Sweden, want the creation of a new working group to draft an international treaty banning chemical weapons. But they have run into opposition from the two superpowers

Mr. Adrian Fisher, the U.S. representative, said yesterday that disclosure would jeopardise the outcome of the bilateral talks. But he promised to report to the committee later this year.

Italian unions step up strike action in pay row

BY PAUL BETTS IN ROME

ITALY'S MAIN trade union confederations decided yesterday to step up protest against the increasing deadlock developing over the renewal of a series of major three-year national labour contracts involving some 10m workers in both the private and public sectors.

While union leaders announced a nationwide strike on May 8 in industry and agriculture, relations between the unions and employers were further worsened yesterday by the decision of private employers in the engineering sector to file suits against the unions' use of pickets.

This followed the decision by the powerful engineering and metalworkers union to block all factory gates during the next 48 hours with pickets. Employers claim the use of pickets is illegal and are demanding compensation from the unions for eventual losses as a consequence of picketing.

The unions are now attempting to reach an agreement on the labour contracts before the June general elections, but employers regard union wage claims and demands for shorter working hours as unacceptable.

Relations have been particularly strained in the private sector because of the much harder line private employers are adopting in the labour negotiations compared with representatives of the public sector.

Although the Government is continuing to stress the need to prevent any real increases in wages, it is as keen as the unions to reach a settlement before the June 3 and 4 elections.

During the past weeks, labour unrest has been spreading throughout the country causing severe disruption in most big industrial sectors. In the case of the chemical industry, workers in some instances have taken temporary control of production facilities at some plants in the depressed south of the country.

The intransigent stand of the unions is now causing growing alarm over the possible impact of the new contracts on inflation, which is already running at 13 per cent.

Leutwiler hopeful on EMS link

BY JOHN WICKS IN ZURICH

SWITZERLAND IS extremely interested in the success of the European Monetary System, Dr. Fritz Leutwiler, president of the Swiss National Bank, told the bank's annual general meeting in Berne yesterday.

Dr. Leutwiler drew attention to the close *de facto* link between Switzerland and the EMS instituted by the national bank's foreign exchange policy.

It would be up to the Swiss Federal Council and the EMS countries' Governments to decide "whether and to what extent" the relationship should be intensified, Dr. Leutwiler added.

For its part, the national bank was endeavouring to continue and extend co-operation at the technical level with EMS central banks.

If economic policy could be co-ordinated within the system, and not just at the lowest common denominator, there was a real chance for the EMS to develop into a "stability community."

With the central bank co-operation programme instituted last November and the promising start of the EMS, prospects for exchange-rate developments had become much better.

Dr. Leutwiler said he thought foreign exchange movements should be much more gradual in future, with a lessening of the danger of excessive interventions.

Dr. Fritz Leutwiler

Under these conditions, monetary unrest of the order experienced last autumn should no longer come about.

Switzerland's excessive liquidity had already been considerably reduced, with the quietening of the foreign exchange markets allowing a return to movements of capital from low-interest to high-interest countries.

In the first three months of this year, Dr. Leutwiler disclosed, foreign borrowings of almost SwFr 11bn (about £3.1bn) were approved in Switzerland, in connection with which the national bank had disposed of dollars worth SwFr 5.4bn between the start of the year and mid-April.

Over and above this, the national bank had last month and this sold some SwFr 5.8bn worth of dollars in the market at unchanged firm dollar and D-Mark rates against the Swiss francs.

This development, particularly the resistance of the dollar, had come as a surprise to the Swiss National Bank.

"We had not expected that it would be possible to cut out a substantial part of the monetary overhang so soon and without negative effects on the Swiss-franc rate."

Since the start of the year, Switzerland's monetary base, excluding end-of-year operations, had declined by no less than SwFr 10.6bn to a level 2.5 per cent below that of a year earlier. A few months ago, the annual growth rate had exceeded 20 per cent.

Concerning the national bank's 1978 loss on foreign-exchange holdings, Dr. Leutwiler said the bank saw this as an isolated occurrence.

This year, it should be possible to cover a considerable part of this loss. In the 1978 bank balance, the SwFr 2.6bn deficit resulting from losses on foreign currency is covered by unpublished reserves based on gold holdings.

Austrian credit curbs to stay

BY PAUL LENDVAI IN VIENNA

THE PRESIDENT of the Austrian National Bank (the country's central bank), Professor Stephan Koren, has paid tribute to the "better than expected performance of the external payments," but has dispelled hopes that credit restrictions will be eased.

Speaking to a Press conference yesterday, Professor Koren said that the current account deficit which last year improved sharply, dropping from Sch 29bn, to Sch 6bn, will rise again this year to Sch 15bn. For the central bank the maintenance of the external payments equilibrium remains priority, calling for maintenance of the restrictive credit policy.

He cautioned that gross investments last year had failed to rise and that there had been no real improvement in the budgetary situation.

Meanwhile at a meeting reviewing the economic situation, the President of the Federal Chamber of Economy, Mr. Rudolf Sallinger warned that the slight economic upswing noted during recent weeks should not be overrated. The fiscal policy of the Government had in recent years placed a growing strain on the capital base of industry.

The chief of the Economic Research Institute, Professor Hans Seidel, said that GNP this year should rise—"at least" by 3.5 per cent as against 1.5 per cent last year and that this estimate was certainly not exaggerated.

Dutch unemployment falls

THE HAGUE — Dutch unemployment fell to 208,300 in April fro m211,900 in March, as against 202,000 in April last year, provisional seasonally adjusted figures from the Social Affairs Ministry show.

Unadjusted unemployment fell to 193,500 in April from 209,800 in March, compared with 190,200 in April last year.

Seasonally adjusted vacancies fell to 60,100 from 70,200 in March, compared with 70,600 in April 1978.

Reuter

Mobil is fined after Statfjord fire deaths

By Fay Gjester in Oslo

NORWAY'S DIRECTOR of Public Prosecutions has fined Mobil Exploration Norway NKr 1m (about £100,000) in connection with a fire on a platform in the Anglo-Norwegian Statfjord field last year, in which five workers died. This is believed to be the largest fine ever levied on any company in Norway.

Mobil is operator on the field, and the DPP says the company violated the Norwegian working environment law in two ways. It failed to provide a safe place of work for platform employees, and it gave them inadequate information about the special hazards connected with work on the deck (inside a platform shaft) where the fire started.

A Norwegian spokesman for Mobil, Mr. J. D. Svendsen, told the Norwegian radio news he thought it would be difficult for the company to accept the fine. He believed Mobil had fulfilled its obligations in every way.

French oil bill 'could rise by £1.44bn'

PARIS—France's oil import bill for 1979 could be FFr 13bn (£1.44bn) above that of last year if the dollar's present firm tone is maintained, M. André Girand, French Industry Minister, told a seminar on energy here yesterday.

The increase would be at least FFr 10bn as a result of recent OPEC price increases.

Provisional figures issued in January by the oil industry association showed France's 1978 oil import bill was FFr 54.6bn.

Reuter

GISCARD'S VISIT TO THE SOVIET UNION

Search for a 10-year treaty

BY ROBERT MAUTHNER IN MOSCOW

PRESIDENT Giscard d'Estaing of France arrived in Moscow last night for a three-day official visit.

During the visit, he is expected to sign with Mr. Leonid Brezhnev, the Soviet leader, a new 10-year bilateral economic co-operation agreement, covering 1980-1990.

The French and Soviet heads of State arealso due to have wide-ranging discussions on the development of East-West détente and other international problems.

These include the situation in the Middle East after the conclusion of the Israeli-Egyptian peace treaty, and disarmament.

Their meeting is considered to be of particular importance because it is the first between a Western head of State and the Soviet leader since diplomatic relations were established between the U.S. and the Soviet Union, the Chinese intervention in Vietnam and the overthrow of the pro-Chinese Cambodian régime.

It has also aroused acute interest among Kremlin-watchers because of the Soviet leader's continuing health problems.

Mr. Brezhnev, 72, was forced at the last minute to postpone President Giscard's visit, originally due to have taken place last month because of illness.

The Soviet leader was reported to be looking not too well at the meeting of the Supreme Soviet last week. But since then he has attended several matches in the world ice hockey championships, at present being held in the Russian capital.

President Giscard has come to Moscow with the firm hope of persuading the Soviet Union to make a greater effort to stimulate bilateral trade, after last year's somewhat disappointing results.

Trade between the two countries progressed very rapidly between 1974 and 1977, but dropped sharply in 1978.

While retaining its position as the Soviet Union's fourth largest Western supplier, behind West Germany, Japan and the U.S., France's exports to that country dropped by 10 per cent to FFr 6.6bn (about £700m) last year, compared with 1977. At the same time, French imports from the Soviet Union fell by 3 per cent to FFr 5.5bn (about £600m).

The French were encouraged, however, by a huge FFrs 850m contract won in the autumn of last year by Technip, the French engineering group.

This was for "gas lift" installations to improve oil recovery levels in Western Siberia, and was one of the biggest orders received by any Western country in 1978.

If the Soviet Union continues on this path, it is still possible that the original objective—set at the Franco-Soviet summit in Rambouillet in June, 1977—of tripling trade between the two countries between 1975 and 1979, will be met.

In a meeting of particular importance, President Giscard will aim to persuade Mr. Leonid Brezhnev, that the Soviet Union should make a greater effort to build up bilateral trade with France, after last year's disappointing results.

Joint projects in the pipeline are at present estimated at about FFrs 8bn, including a possible FFrs 3bn contract which the French company Pechiney Ugine Kuhlmann hopes to win for construction of an aluminium complex at Saiansk in Siberia.

In the diplomatic field, President Giscard is anxious to gain Soviet support for his pan-European disarmament conference proposal, which has so far aroused little enthusiasm either in the West or East.

Mr. Andrei Gromyko, Soviet Foreign Minister, did not flatly reject the French plan during his recent meeting with M. Jean Francois-Poncet, his French opposite number, but the Russians clearly are not keen on it.

Nor is there any prospect of a rapprochement between the two sides over French participation in the proposed SALT 3 negotiations on tactical nuclear weapons stationed in Europe.

Moscow has been pressing for these talks but President Giscard has already categorically ruled them out.

East German travel call

BY LESLIE COLITT IN BERLIN

THE PROTESTANT Church in East Germany has urged the Government to allow more East Germans to travel to the West.

This unusually bold resolution for the normally circumspect East German Evangelical Church, comes as the East German Communist leadership finds itself already having to deal with domestic political critics.

The resolution, passed at a meeting of the Synod of the Berlin-Brandenburg Church in East Berlin, said the church leadership should urge the Government to live up to the "travel regulations" agreed between East and West Germany in 1972 and to "expand them."

These provide for East Germans to be permitted to travel to West Germany in the event of serious illness, birth, death or marriage in their immediate family in the West.

Some 40,000 East Germans below retirement age are permitted to make such trips annually but many times this number are turned down.

The East German Protestant Church, has 6m nominal members.

OVERSEAS NEWS

Brighter outlook for Hong Kong

By Philip Bowring in Hong Kong

LATEST INDICATORS tentatively suggest the beginnings of a turn-round for Hong Kong's dangerously overheated economy.

The trade deficit fell in March to HK$1.1bn (£103m) from HK$1.8bn in February. Domestic exports were HK$3.8bn, re-exports HK$1.5bn and imports HK$6.5bn.

The deficit is still considered uncomfortably high and on a quarterly basis is still growing in absolute terms. But the January to March quarter was the first for a long time in which the rate of growth of domestic exports at 31 per cent over 1978 exceeded that for retained imports which were 28 per cent up.

Mr. Philip Haddon-Cave, Financial Secretary, said latest figures showed that money supply growth rate had fallen to an annual rate of 20 per cent. Bank lending was still up by 40 per cent but he predicted that the five increases in lending rate recorded so far this year "must begin to bite harder soon."

In a move to help exporters cope with the high prime rate, currently 13 per cent, the Chartered Bank and Hongkong and Shanghai Bank announced that they would be prepared to lend at up to 1.5 percentage points below prime rate to finance imports of raw and intermediate materials by export manufacturers.

In response to the better news the Hong Kong dollar recovered sharply yesterday to close at 5.12 to the U.S. dollar against 5.17 on Wednesday. But as a reminder of the inflationary impact of the local currency's weakness, the consumer price index for March rose 1.5 per cent, the same as February.

AFGHANISTAN'S YEAR OF SOCIALISM

Taraki struggles to survive

BY A CORRESPONDENT ON THE AFGHAN PAKISTAN BORDER

ONE YEAR after the bloody coup which brought him to power in Kabul, Mr. Nur Mohammad Taraki, Afghanistan's Soviet-backed socialist ruler, is still struggling to consolidate his authority over the whole country. The challenge to his unpopular regime's authority, bringing food shortages and discontent at home, has never been greater. His capacity to survive in power must now be in doubt.

The biggest questions concern the loyalty of Afghanistan's largely conscript army. Last month part of the garrison in the western city of Hearat joined hands with rebels who suddenly rose up against the Government. A massive ground and air operation was necessary to quell the revolt, and the loss of life was heavy. The more lurid reports speak of Russian advisers and their families being brutally slain in public as a warning to others.

Then last week the loyalty question was raised again when soldiers in the eastern garrison town of Jalalabad rebelled against their senior officers and took a number of hostages. Trusted units complete with tanks surrounded the camp, but a few days later it was still not clear what exactly had happened. All that was certain was that Mr. Taraki had faced another serious threat to his position.

For the Soviet Union these developments pose a particularly difficult problem, because they come on top of a widespread revolt in several provinces by Muslim villagers opposed to Mr. Taraki's rule and to Russian influence generally. The sporadic hit-and-run operations by these poorly equipped tribesmen offer no direct threat to the survival of the Kabul Government. But the paucity of results from its massive retaliation has almost certainly lowered morale in the armed forces, which have already suffered numerous purges.

In the mountainous eastern province of Kunar, where the fighting has been fiercest, the Government is thought to be in control only of the principal town of Chagha Serai and of the road running north to the border town of Barikot. Vast tracts of Nooristan a little further north are believed to be totally under the control of the local people, who have long

Nur Mohammad Taraki

resisted the predations of the central governments anyway.

Further south fighting has intensified in Paktia, particularly near the salient of land jutting out from Pakistan which offers the shortest route to the capital. In two large areas in particular local people are following the strategy used in Kunar, the only one possible under the circumstances: attack police and army outposts, create trouble and retreat to withstand the bombing raids and army sweeps launched in response.

The added involvement of the ferocious Mohamand tribe in the province of Nangahar could tip the balance in the whole eastern area. This tribe is said to be launching its own offensive against the Government following a special meeting earlier this month.

The tangible results of putting in 50,000 armed Muslim tribesmen have yet to be seen, but no one doubts that it could be the most crucial development yet in one of the world's less well known guerrilla wars.

The biggest problems the rebels face is a lack of ammunition, sophisticated arms and food. Dedication they appear to lack not at all, thanks to the compelling force of a declaration of Jihad, or holy war, which has gone out over recent weeks. The rebels carry old Lee Enfield rifles purchased from local arms dealers who operate in the uncontrolled "tribal areas" sandwiched between the two countries. They may pay anything up to $3 for a bullet. They say they want anti-tank weapons.

The rebels reckon they need as much money as the U.S. spent in a day at the height of the war in Vietnam. But no country has responded, Western or Arab.

Neighbouring Pakistan has taken strenuous measures to curb their activities inside its territories, where many of them can come and go as they please among the local people and among the thousands of refugees who have fled from Mr. Taraki's rule.

Clashes are also reported from other areas, notably near Kandahar in the south, in the central province of Uruzgan and also in the north near the Russian border. Some of these have gone on for months, and in certain areas local villagers have reached understandings with the armed forces to avoid further trouble. Sometimes these have broken down, either through trickery or through the unexpected intervention of raiders from outside.

The Kabul government has alleged that Pakistan is training the guerrilla insurgents and providing them material as well as moral support, along with the U.S., China and, of all countries, Egypt.

Over the past month shelling incidents have occurred and jets of the Afghan air force have violated Pakistan's airspace. One even strafed Pakistani territory.

Believing that the incidents and the propaganda are designed to provoke Pakistan, the Islamabad military government is sitting tightly, although its soldiers and pilots are anxious to respond. But Pakistan has no wish to tempt the Soviet Union, especially when it is unsure of what kind of support it has from any of its ostensible allies abroad.

The Soviet Union may well be near the difficult decision of whether to respond to any request from Mr. Taraki for troops to back up the assistance already coming from thousands of Soviet military and technical advisers. Many people fear that the prestige factor may loom too large for Moscow to avoid further involvement.

China rejects Hanoi peace plan, puts forward its own

BY JOHN HOFFMANN IN PEKING

CHINA has dismissed a Vietnamese "peace proposal" as a fraud and put forward instead an eight-point framework for negotiations on hostilities between the two countries.

The plan was announced simultaneously in Peking and Hanoi yesterday as negotiators began their second session of talks in the Vietnamese capital.

The talks follow China's invasion of northern Vietnam in February, when 100,000 Chinese troops marched across the border in retaliation against alleged provocations and incursions by Vietnamese forces.

In Peking yesterday, Zhong Xidong, a Vice Foreign Minister, said Vietman's call for a demilitarised zone on the Sino-Vietnamese border, made while the Vietnamese were stepping-up a war atmosphere" on the frontier, was "nothing but a fraud."

His statement was a rejection of the Vietnamese proposal, which, he said, evaded the fundamental issues between China and Vietnam.

The eight-point Chinese plan, Mr. Zhong said, was a proposal for handling relations between the two governments. The future prospects for successful negotiations would depend on how the Vietnamese co-operated and how they behaved.

One of the Chinese points, certain to produce another stalemate in the Hanoi talks, demands that both sides should withdraw any troops stationed in other countries. This is a clear reference to Vietnam's occupation of Cambodia and will certainly be rejected by Vietnam.

Other points unlikely to be acceptable to Vietnam, call for the resettlement in Vietnam of Chinese nationals expelled by Hanoi authorities last year, the acknowledgement of Chinese sovereignty over Xisha and Nansha (Paracel and Spratly) islands and a prohibition against either side providing military bases for other countries — a reference to the Soviet military presence in Vietnam.

Mr. Zhong said he hoped Vietnam would not abruptly reject the Chinese proposals as they were not conditions for continuing the negotiations. "If they were, we would have proposed them before agreeing to the Hanoi talks and we probably would not have gone there," he said.

When the talks reopened in Hanoi yesterday, the Chinese negotiator, Han Nianlong, a Vice-Foreign Minister, said China had already freed a number of Vietnamese prisoners-of-war. He suggested that the exchange of remaining prisoners should be discussed by the Red Cross societies of both countries.

Syrian MiGs in show of strength

BY IHSAN HIJAZI IN BEIRUT

SYRIAN MiGs flew over Beirut and other Lebanese areas yesterday in a show of force and to provide an umbrella for Syrian troops against the danger of Israeli attacks.

Syrian forces forming the backbone of the Arab peace-keeping force in Lebanon have stayed clear of the battle area south of the Litani river at the insistence of Israel, and have not been involved in fighting between Palestinian guerrillas and Israelis over the past four days.

Relative calm prevailed in the South yesterday after an informal ceasefire had gone into effect on Wednesday night. It was arranged by the UN and the Palestinians and Israelis both said they would accept it.

The truce does not cover guerrilla raids into Israel or Israel's policy of retaliation to such attacks. The two sides have agreed merely to abstain from shelling each other's positions.

Four days of sea, air and artillery bombardment of South Lebanon by the Israelis has left 50 dead and 100 wounded. Of those killed 27 were Palestinians, including 10 guerrillas. The rest were Lebanese villagers.

The Israeli action has driven 40,000 people from their homes. They have sought refuge in safer areas such as Sidon and Beirut.

Damage to Palestinian bases and weapons is minimal, according to diplomats who do not expect the Israeli attacks to deter the guerrillas from continuing the war.

The ceasefire is not expected to last long and Israeli-backed Christian gunners yesterday bombarded two villages in the South.

Six people were wounded and power cables were destroyed. A number of Nepalese UN troops were also injured.

Diplomats said Israel and its Christian allies, led by Major Saad Haddad, would like to drive the UN force out of the South so as to have a free hand in the border area.

Major Haddads unilateral declaration of independence earlier this month set off shock waves throughout Lebanon. Support by Christian leaders, such as ex-President Camille Chamoun, has clouded the atmosphere and killed recent hopes of national reconciliation.

Co-ordination is now being arranged between Syria, the Palestinian Liberation Organisation and the Lebanese Left-wing Moslem alliance over the situation in the south. President Hafez Assad of Syria met Mr. Yasir Arafat, the PLO leader, and Lebanese Left-wing representatives in Damascus yesterday.

A delegation from Iraq's ruling Ba'ath Party held talks with Mr. Arafat in Beirut on Wednesday. Dr. Saadoun Hammadi, Iraq's Foreign Minister, is in the Lebanese capital for talks with senior officials.

Observers expect Syria and Iraq to play a bigger role in Lebanon especially where the confrontation with Israel is concerned. At the same time, they may exercise a restraining influence on the Palestinians.

It is thought that Syria does not want to be dragged into war with Israel in Lebanon through an escalation of Palestinian guerrilla operations.

President Elias Sarkis of Lebanon has expressed anxiety about the Arab world leaving Lebanon to shoulder the burden of the Palestinians and the war in the South. "Lebanon cannot bear the responsibility of the Middle East conflict alone," he told the Cabinet on Wednesday.

The daily newspaper An Nahar said yesterday that the President is planning to call for an Arab summit meeting to discuss the issue.

Meanwhile Mr. Chamoun has called on the Palestinians to lay down their arms and to negotiate with Israel. His ally, Mr. Pierre Gemayel, leader of the Christian Phalange Party, has said Israel will leave Lebanon alone if Palestinian provocations stop.

SENEGAL'S ECONOMIC TROUBLES

Crisis fuels unrest

BY SUSAN MORGAN, RECENTLY IN DAKAR

A YEAR after President Leopold Senghor set up a controlled multiparty democracy in Senegal — thereby reversing over a decade of one-party rule —tensions are growing. The coming year is likely to be crucial for President Senghor who faces a major challenge from both within his regime and without. The crux of the problem is threefold: mounting opposition to maladministration, the prolonged economic crisis and uncertainty about the future of Senegal in the post-Senghor era.

At the centre of this is increasing scepticism about the relevance of Senghor's imported Western democracy to a largely rural populace which does not speak French. Criticism of the Government and of Senghor's artificial four-party system is growing from both the legal and illegal opposition, fuelled by the worst economic crisis since independence. The President is finding that once you permit a little democracy, people start demanding a lot.

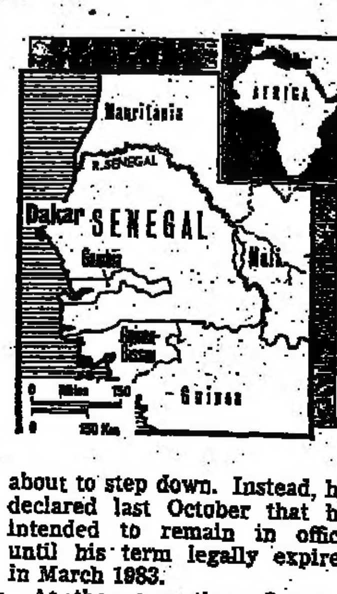
Signaficantly, recent Government setbacks have been mounted less from opposition parties than from affiliated trades unions. The Union des Travailleurs Libres du Senegal (UTLS) allied to the main parliamentary opposition party, the Partie Democratique Senegalaise (PDS) has been making considerable headway in shop steward elections within Senegalese firms, while the Government-oriented union has been constantly handicapped by its support of austerity measures to combat Senegal's high inflation.

So far, the President and his ruling Partie Socialiste are still in control — though internal friction is growing within the PS. This supremacy was endorsed by the presidential and legislative elections held last February. President Senghor was duly re-elected and the PS won around 80 per cent of the votes. But President Senghor's opponents were hampered both by their own internal divisions and by the head start of Senghor's own party—which enjoyed some 18 years of undisputed supremacy.

In addition, opposition parties which have agreed to join Senghor's system are open to criticisms for "collusion." Those who have refused to have anything to do with it—such as a variety of Left-wing groups and the most important clandestine group of all, the Rassemblement Nationale Democratique, have suffered political restrictions as outlaws. (The RND has twice asked for official recognition, but this has always been refused.) Recently a number of these Left-wing groups (but not the RND) have banded together under former Premier Mamadou Dia.

Abdou Diouf, Senegal's Prime Minister

Opposition is directed, not only at the Government, but at Senghor's designated successor, the lanky and uncharismatic Abdou Diouf: as Premier, Diouf automatically takes over from the President under the revised Constitution. Last year, there was widespread speculation that Senghor, now aged 72, was about to step down. Instead, he declared last October that he intended to remain in office until his term legally expires in March 1983.



At the same time, Senghor gave his full support to Diouf. For the first time Diouf can now appoint his own government officials, while his star is also rising on the international political scene.

As the succession debate goes on Senegalese youth are becomingly increasingly critical and impatient with what they see as corruption and mismanagement, especially in the economy. Opposition to continuing French influence is also growing. Senegal's pro-western, anti-communist stance in West Africa depends very much on the personality of Senghor himself—a self-styled "black Frenchman."

There was widespread opposition to sending 600 Senegalese troops to Shaba province in Zaire last year as part of a pan African peacekeeping force and many young Senegalese want their country to take a more radical line in foreign affairs—instead of being aligned with the "moderate" stance of countries such as Morocco and Ivory Coast. They also object strongly to the presence of some 1,300 French troops on their soil.

A further worry is the prolonged economic crisis. The situation was so bad last year that for a time the Government was even unable to pay civil servants. The principal cause was a recurrence of the Sahelian drought, halving output of food staples and groundnuts—the mainstay of the Senegalese economy and pushing the trade gap up to a record $55bn.

Senegal relies for industrial development on its key geographical position and relatively skilled workforce But unlike neighbouring Ivory Coast, it has been unsuccessful in attracting foreign investment despite a liberal investment code.

Worse, four key industrial and agricultural projects have met severe setbacks. The Dakar Free Zone attracted only one firm in its first two years and then went bankrupt; Dakar-Marine, intended to repair giant oil-tankers was scaled down to carry out more modest naval repairs—but still has problems: the petrochemical and mineral complex at Kayar—originally funded by the Shah of Iran is now in a state of limbo. Finally, Senegal put great hopes into the development of the Senegal River Valley project—a joint project between Mali, Eenegal and Mauritania which was to irrigate all three countries. The project's cost have soared.

Argentina sets free seven union leaders

BUENOS AIRES—The military Government has released seven of the labour leaders they arrested on Monday night to try to stap a general strike, but has transferred 21 others to a reported yesterday.

The seven were said to have been freed because they had not signed a declaration calling for a nationay day of protest today, the first attempted general strike since the military overthrew President Isabel Peron in March, 1976.

The Government was reportedly preparing a decree placing the 21 detainees under the autohrity of the executive branch under the state of siege which has been in effect in Argentina since November 1974, when constitutional guarantees were suspended.

The imprisoned men, all representatives of unions that supported the late President Juan Domingo Peron, could receive prison terms of from three to 10 years.

In Geneva, the International Metalworkers' Federation called on affiliated unions around the world to protest against the arrest of three Argentinian metal workers' leaders who were arrested and jailed.

Our foreign staff adds: A public appeal was yesterday made to the leaders of Britain's three main parties to confirm that human rights would continue to be a factor in British foreign policy.

Two relatives of the Anglo-Chilean businessman William Beausire, who was abducted by Argentinian secret police in 1974 and disappeared after being handed over to the Chilean authorities, urge the Government not to abandon "the determined effort to secure justice" for Mr. Beausire.

The Foreign Office has recently called for a "thorough and effective investigation into the fate of all missing persons in Chile." Opponents of the junta, which seized power in 1973 estimate that 2,500 people have since disappeared in Chile and at least three times that number in Argentina since the coup there in 1976.

The Foreign Office say that despite the Labour Party's concern over the present junta in Argentina, an ambassador will be sent there as soon as Argentina, whic hbroke off relations with Britain in 1976 over the Falkland Islands, sends an ambassador to London.

Brazil gives top priority to 'steel railway'

By Diana Smith in Rio de Janeiro

GENERAL Joao Baptista Figueiredo, the Brazilian President has ordered the revival of the country's $1.327bn "steel railway" as a matter of top prority.

In 1976 a contract worth £150m was signed with the British company GEC for the supply of a fixed electrical systems and some electrical equipment for locomotives on this new stretch of railway between Belo Horizonte, capital of iron ore rich Minas Gerais state, and Volto Redonda, the steel works centre in Rio de Janero state.

In 1977, work on the railway lost priority when alternative plans to improve and electrify the existing Centre Line were given preference. That year, the transport authority negotiated with GEC to transfer their contract and equipment to the Centre Line on which the comapny has begun working.

The authorities have now decided to set up an integrated system combining the steel railway and the improved Centre Line, so as to meet the substantial increase in freight demand.

At present the Centre Line can only carry 25m tonnes of freight a year.

Robert Strauss's new job is explained by **David Buchan**

Helping the Carter ratings

WHITE HOUSE insiders say that when President Carter called in Mr. Robert Strauss some two weeks ago and said he had a special job for him over the next year, the former Democratic National Committee chairman started to demur and explain that really his fund-raising days were over. "I'm not talking about the campaign, Bob, this is more important," the President butted in.

Indeed Mr. Strauss' new role as the President's representative, and U.S. "ambassador at large" to the forthcoming negotiations, with Egypt and Israel, on the intractable issue of Palestinian autonomy could well prove the best contribution he could make to Mr. Carter's re-election bid. That bid has not yet been formally announced, but there is no other explanation of Mr. Carter's appearance on Wednesday in New Hampshire, the first state to hold a primary election next spring.

It will allow Mr. Carter to spend more time at home on those tedious domestic issues which are known to make his eyes glaze with boredom, but on which re-election hangs. The rating given Mr. Carter for his handling of such problems as inflation is still abysmal. While the one foreign policy issue of overriding importance, the planned Salt arms treaty, requires the presence of both Mr. Carter and Secretary of State Cyrus Vance in Washington if it is ever to pass the Senate.

If proconsul Strauss—already under fire from some Arab quarters for being Jewish—can pull off his mission impossible in the Palestinian talks, so much the better for the Emperor. But the negotiations will be long and difficult. According to the Camp David accords, they are supposed to be completed within 13 months of the signing of the treaty this month. U.S. officials feel the proper venue for the negotiations, due to start at deputy level in May, is out in the Middle East, now that both principals are at peace with each other.

Mr. Strauss has the President's trust. The 60-year-old Texan troubleshooter has been one of Mr. Carter's successes as trade negotiator in the GATT trade talks. Mr. Strauss may have failed as chief inflation adviser up to last autumn, but no one has done any better since.

Mr. Strauss has been criticised for being just a wheeler-dealer, with no power of conceptual thinking. But that attribute may not be key in these Middle East talks. He will, after all, be following basic instructions from Messrs. Carter and Vance. And he apparently hit it off personally with President Sadat and Prime Minister Begin whom he saw while leading a U.S. trade mission out there this month.

President Carter and Mr. Strauss on his appointment.

None of this, of course, obscures the fact that Egypt is now hopelessly isolated in the Arab world, the Palestinians refuse totally the idea of negotiation and what Israel is prepared to offer falls far short of even a remotely acceptable compromise on the West Bank. Mr. Strauss sees his Jewish origin as no obstacle to his mission—and it certainly was not for Dr. Kissinger. The religiously conscious rulers of Saudi Arabia might have taken exception to this, except they are not directly involved in the talks about the West Bank

The American-Jewish community holds Mr. Strauss in high regard. They are to give him an award next month in New York. Since it is clearly Israel that will have to do most of the conceding if enough Palestinians are to be satisfied with autonomy in the Israeli-occupied territories, an American Jew may be the man to get them to do it.

Ecuador hustings peppered with insults

By Sarita Kendall in Quito

ECUADOREANS GO to the polls on Sunday for the third time in 16 months to vote for a President and 69 Congressional representatives. Trying to bolster confidence in the return to democracy, Admiral Alfredo Poveda Burbano, the ruling junta's President, has repeatedly promised that the armed forces will respect the election result

Even if the military is prepared to abide by the vote, the powerful economic and political Right wing is likely to show some sharp claws should Sr. Jaime Roldos Aquilera, the Popular Forces candidate, win the Presidency. Their own man, Sr. Sixto Duran Ballen, of the Social Christian Party, is attempting to match Sr. Roldos Aguilera's popular appeal with an image of experience and security.

Sr. Leon Febres Cordero, a prominent Guayaquil businessman running for Congress, accused the Popular Forces candidates of connections with the devil. In reply he was labelled a "white version of Idi Amin."

The Interior Minister responsible for last year's electoral organisation, General Bolivar Jarrin, will be facing a military court on Thursday. He has been implicated in the murder of Sr. Abdon Calderon Munoz.

Steel strike disruption

BY JOHN WYLES IN NEW YORK

SOME U.S. steel production is being increasingly disrupted because of a strike by steel hauliers who are defying an instruction from their union, the Teamsters, to return to work.

Negotiations on a new contract for the steel delivery drivers were concluded last Sunday, but the agreement features as a rider to the main freight agreement which ended the general road haulage strike earlier this month and the Teamsters requires its members to vote on the full agreement.

The recalcitrant steel drivers are demanding the right to a separate vote on the section of the agreement relevant to them, and earlier this week an important union branch in Pittsburgh rejected an instruction to return to work.

In addition some of the drivers belong to a separate group called the National Steel Carriers Association, which has rejected the proposals accepted by the Teamsters and is calling on federal mediators to help it reach a settlement with some 50 companies.

Several thousand steelworkers in West Virginia, Ohio and Pennsylvania have been laid off because of the steel companies' inability to stockpile any more of their product. None of the companies has yet cut back on basic steel production but finishing work is becoming a growing problem at National Steel, Armco, and Bethlehem Steel.

Some users of finished steel are also feeling the pinch and there are anxieties that a range of engineering output may soon be curtailed in parts of the Midwest.

Clark rejects referendum

BY VICTOR MACKIE IN OTTAWA

MR. JOE CLARK, the Canadian Progressive Conservative leader, said yesterday that if elected Prime Minister, his Government would reject any Quebec referendum vote for independence, even if this decision drives a few nationalists to acts of violence.

Mr. Clark said he would refuse to allow Quebec to separate, either by the ballot or the bullet; but he rejected the possibility of using troops to keep the province within Canada. "The province of Quebec cannot vote its way out of Canada," said Mr. Clark.

Mr. Pierre Trudeau, the Prime Minister, and Quebec federalists such as Mr. Claude Ryan, the provincial Liberal leader, have repeatedly stated that while they reject independence, they recognise Quebec's right to decide its own future in the Canadian federation.

Meanwhile, New Democratic Party leader, Mr. Ed Broadbent, has announced that an NDP Government would subsidise mortgage interest rates for families with average yearly incomes of less than C$30,000

Tokyo refuses to make further procurement offers

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE ATTEMPT to resolve all outstanding trade disputes between Japan and the U.S. before Prime Minister Masayoshi Ohira visits Washingtin next week for talks with President Carter was abandoned yesterday when the Japanese Government decided to make no further concessions to the U.S. on the vexed issue of procurement liberalisation.

Japan presented its third, and apparently final, offer on procurement to the U.S. earlier this week, but the offer was deemed "unsatisfactory" by Mr. Robert Strauss, the President's special trade negotiator.

American dissatisfaction stems not from the $7bn value of procurement contracts which Japan proposed to throw open to international bidding but from the "quality" of the Japanese offer. What this means is that U.S. trade officials doubt whether the product areas to be liberalised by Japan are those in which U.S. industry is most competitive.

The crucial point in the procurement dispute involves purchases of "main line" telecommunications equipment by the state-owned Nippon Telephone and Telegraph Corporation where Japan has offered partial liberalisation and the U.S. is pressing for complete freedom of access for American companies.

The question of liberalising Government procurement is included in the agenda for the almost completed GATT trade talks, and was originally raised by the U.S. in this context. Both countries, however, now seem to regard the issue as being essentially separate from the GATT talks, in part because of European reluctance to subscribe to a multilaterally binding procurement liberalisation code as part of the GATT package.

This means that talks on procurement can, in theory at least, drag on indefinitely between the U.S. and Japan.

In practice strenuous efforts will probably be made to get the issue settled before the summit of heads of state of advanced industrial countries, which is due to be held in Tokyo in late June. One way to achieve this could be for President Carter to arrive in Tokyo ahead of other leaders for last minute bilateral consultations with the Japanese Government.

Mr. Ohira was said to have made up his mind this afternoon to refuse to hold any discussions on the procurement issue during his visit to Washington next week even if the U.S. makes an attempt to return to the subject.

Topics that the Japanese do seem prepared to discuss during the summit—the first to be held since the advent of the Ohira Cabinet last December—include energy problems, north-south relations and technological co-operation.

In addition, a $2bn technology agreement committing the U.S. and Japan to joint participation in the development of nuclear fusion, coal liquefaction, and high energy physics is expected to be signed during the visit.

Topics likely to be raised by the American side include Japanese contributions to American-sponsored aid programmes for Turkey, Egypt and Israel and Japanese defence spending. All are sensitive topics, especially the request for Japanese participation in aid to Israel.

Japan, U.S. and USSR agree on gas pipeline

TOKYO—Japan, the U.S. and the Soviet Union have agreed on a plan to lay a pipeline from the Siberian district of Yakutia to the Soviet far eastern port of Olga near Nakhodka to transport natural gas to Japan and the U.S., according to officials close to the Japanese Soviet economic committee.

The agreement was reached at a meeting of Japanese and U.S. business leaders and Soviet Foreign Trade Ministry officials held in the U.S. last month, and is expected to facilitate implementation of the $4bn (£2bn) project.

The three countries will probably hold a full meeting in mid-1980 to formally launch the project which is designed to supply the U.S. and Japan with 1bn cubic metres of natural gas each with the gas liquefied at Olga.

Japan and the U.S. are expected to supply equal amounts of bank-to-bank loans for the procurement of steel pipes, excavators, liquefaction plant, and other necessary equipment.

Reuter

French truck sales fall in March after brief recovery

BY TERRY DODSWORTH IN PARIS

By Terry Dodsworth in Paris

THE FRENCH heavy truck market went into a steep decline in March after a slight recovery in the first two months of the year. Sales dropped by 3.4 per cent, compared with the same month last year, to 3,860 units, bringing the average fall over the first three months of the year to 1.6 per cent (11,569 units).

The statistics bear out the feelings of the manufacturers that there will be no significantly improvement in the truck market until later this year.

Sales have been depressed in this sector for the last two years, causing heavy losses among the lorry manufacturers. This year the producers have had to continue cutting output, which went down by 5 per cent in March to 4,480 units, and has dropped by 6.5 per cent over the first quarter to 12,380 vehicles.

Slack export markets have also contributed to the problem. Last month sales overseas fell by 23.8 per cent to 1,990 units (although this compared with an exceptionally good month last March), and during the first three months they have dropped by 6.5 per cent to 12,380 vehicles.

A brighter picture is emerging, however, in the market for small commercial vehicles of less than 6 tonnes.

Registrations continued to move up sharply in March, with a 9.5 per cent improvement on the same month last year to 25,950 units. Over the first three months, the increase has been 8.9 per cent to 72,580 vehicles.

Despite these improvements, the manufacturers have still cut production, which fell by 4.6 per cent last month, to 34,500 units, and over the year is down by 3 per cent to 96,900 vehicles.

This is mainly because exports have fallen. In the first quarter of the year they are down by 8 per cent to 35,350 units.

Sweden-Canada paper collaboration plan

BY VICTOR KAYFETZ IN STOCKHOLM

MOELNLYCKE, a subsidiary of the Swedish conglomerate Svenska Cellulosa, today announced preliminary agreement with the Canadian company Scott Paper on collaboration in manufacture and sale of disposable products for hospitals in Canada.

A formal contract is expected by mid-year and operations, to be carried out in a company called Sancella in which Moelnlycke and Scott Paper each own 50 per cent, are scheduled to begin late this year.

Scott Paper, Canada's largest producer of soft paper products, has for some years also sold special products to hospitals and other health care institutions. These operations will be part of the newly formed company, Moelnlycke said.

Swedes to develop new missile

By Victor Kayfetz in Stockholm

SWEDEN'S MINORITY Liberal Party Government yesterday approved an order worth roughly SKr 1.3bn ($295m) to the Saab Bofors Missile Corporation for development and production of an entirely new Swedish anti-shipping missile, to be called Robot 15, with deliveries to the Navy beginning about 1984, and to the Air Force at a later date. The decision means Sweden will not buy the American Harpoon missile which it had considered and which McDonnell Douglas could have begun delivering by 1981.

A Defence Ministry spokesman said the order to the newly-formed Swedish company—with the automotive and aircraft group Saab-Scania and the armaments, chemicals and steel group Bofors as half-owners—will consist of two stages each costing about the same.

The first stage is development and delivery of missiles to equip Swedish navy Spica-type torpedo boats with eight missiles apiece by the mid-1980s. The second is to supply missiles to the Air Force.

"The Navy and Air Force will have to share the development cost of Robot 15," the spokesman said.

THE EAST GERMAN BUSINESS APPROACH

Comecon dominates but more Western contacts sought

BY LESLIE COLITT IN EAST BERLIN

EXECUTIVES at three of East Germany's largest industrial companies have given their seldom-heard views on oil prices, as well as on Western allegations of dumping, and on the chances of forming consortia with Western companies.

The comments, made in a series of interviews with the country's socialist managers, came following recent talks between East Germany's leaders and Count Otto Lambsdorff, West Germany's Economics Minister, on ways of increasing intra-German trade and economic co-operation.

Herr Siegfried Huelss is the deputy director-general of the Foreign Trade Department of Karl Zeiss Jena, the optical and precision engineering combine, which was a prestige name in pre-war Germany.

"Our company motto is 'The future begins today'," said Herr Huelss, which sets his company apart from most in East Germany, where factories display slogans such as "Learning from the Soviet Union means learning to win."

At KZJ, 30 per cent of the products are said to be high-technology ones, with 70 per cent up to international standard. "We have set the pace in the formation of industrial combines," Herr Huelss said, adding that one of the advantages is that "research, production and foreign trade are not separated."

The goal, he explained, is for a product to take no longer than 33 months to develop.

KZJ, with its 44,000 employees, is one of East Germany's biggest exporters, with 80 per cent of its output sold abroad. Half of this goes to Comecon countries, and the other half to "capitalist and developing countries."

After a bit of prodding, Herr Huelss said that the company's turnover is some DM 2bn (£500m), adding that the company earns 33 pfennigs on the mark. Normally, even sales figures in East Germany are shrouded in secrecy.

Under its director-general, Herr Wolfgang Biermann, and a member of the East German Communist Party's central committee, KZJ has gained a reputation for getting things done. When the Soviet Union wanted a high-performance, multispectrol camera for its Soyuz 22 mission in September, 1976, KZJ was chosen to buid it. The pro- Biermann was b marks er ject ran into difficulties and Herr Biermann was brought in to complete the task on time.

A modified version of the camera, for multi-band aerial photography, is now in the company's sales catalogue.

According to Herr Huelss, KZJ researchers are paid a bonus according to "how high the profits are" for the product they develop, and Herr Biermann "has the right to determine the right of the extra bonus."

The average monthly wage at the concern is "just under 1,000 marks"—plus a normal year-end bonus equivalent to a monthly wage.

Not unexpectedly, Herr Huelss praises cooperation with Soviet research institutes and notes that the Soviet market is the company's primary one, "as we need roubles as much as D-marks and dollars."

He quickly added, however, that "we are equally interested in increasing our contacts with Western countries, and we offer consortia opportunities to Western companies — for example, to co-operate in third markets."

In Libya, he noted, KZJ is directing a planetarium and has designed the building which is being put up by the Swedish company SIAB. KZJ has also delivered a planetarium to Wolfsburg in West Germany, home of Volkswagenwerk, in part payment for 10,000 VW Golf vehicles bought last year by East Germany.

> While corporate financial figures in East Germany are usually shrouded in secrecy, Karl Zeiss Jena, the optical and precision engineering combine, admits to an annual turnover of £500m, nearly four-fifths of which is sold abroad

Herr Huelss recently had talks with Count Lambsdorff when he was in East Germany, and said KZJ had also had a visit from a large Western company. "We both have some ideas," he said, adding that Central America or Algeria might be the location for a joint project.

Dr. Dieter Krug is the director for Procurement and Sales of the Leuna combine, one of the largest chemical companies in East Germany, where 30,000 employees turn out 400 different products. Leuna, he noted, was already producing ammonia for I. G. Farben during World War One, and Leuna II was built in the 1950s.

Today Leuna still synthesizes ammonia for fertilisers, produces methanol, and refines a range of fuels. Among several other East German awards, Leuna received a gold medal at the Leipzig Fair for its 98 octane petrol.

"The USSR is our main customer for chemicals," Dr. Krug said, "to pay for the oil and gas we get from the Soviet Union."

He says that next year East Germany will pay only one-fifth of the recent OPEC oil price rise for the 19m tonnes of oil East Germany is to receive from the Soviet Union. The price, based on a sliding five-year average of the OPEC price, gives a company such as Leuna a competitive advantage; but Herr Krug was quick to add that East Germany is feeling the burden of the higher oil and gas prices it is paying.

"The fact that Leuna gets its oil cheaper than Western competitors does not mean we engage in dumping. We would simply cause trouble for ourselves if we were to dump products in Sweden or West Germany. Our quality, adherence to delivery terms and our world market prices make us competitive," he said.

In 1927 Leuna attracted considerable attention when it began the hydrogenation of coal to produce so-called Leuna petrol. It stopped turning out the synthetic petrol in the early 1950s when "it looked as if oil was a product which would never stop flowing."

East Germany's largest heavy engineering combine, the SKET works in Magdeburg, was 80 per cent destroyed in 1945, and rebuilt with the "selfless support of Soviet experts." SKET stands for the Ernst Thaelmann heavy engineering works, and since 1945 the company has produced 350 steel rolling mills, 300 cement plants and 1,000 metallurgical and heavy load cranes, along with tens of thousands of other wire and cable machines.

Every seventh tonne of rolled steel in the Soviet Union comes from a SKET plant, and 30 per cent of Comecon's cement is produced in SKET factories.

Herr Dieter Raue, SKET's deputy director-general, said 80 per cent of SKET production is exported, two-thirds of this goes to Comecon countries and one-third to the West. Turnover is DM 1.5bn.

The high proportion of exports to Comecon, with the bulk destined for Russia, means SKET has no problems finding a buyer for its products.

"The USSR is a market which Western companies dream of," Herr Raue said, but SKET was also interested in expanding its construction of turnkey plants outside Comecon, mainly in developing countries.

Unlike Karl Zeiss, SKET does all its foreign trade through a foreign trade organisation. "The advantage is that the State can use its foreign trade monopoly centrally."

He reacts swiftly when asked whether East Germany is able to improve on the technology it imports from the West. "We specialise in new technology, and have sold licences to Babcock and others for cement processes and machinery. We in the GDR aren't idiots: we will improve the products we buy from the West."

Herr Raue said that SKET must export "intelligence-intensive products—that is, made-to-order plants." That is "exactly the same" as West German companies, which also speak of exporting factory blueprints instead of mass-produced products.

"We are interested in co-operating with companies that supplement our own," he said, noting that "there is talk of Krupp and some others."

From 1893 to 1945, Herr Raue's heavy engineering plant was called Fried. Krupp Grusonwerk, and was part of the Krupp group.

Ban on clothing imports questioned by Canada

BY VICTOR MACKIE IN OTTAWA

THE CANADIAN Cabinet went beyond its powers when it banned indefinitely the import of certain mens' and boys' wear, according to the Federal Court in a judgment which could hamper the Government's efforts to protect domestic manufacturers from low-cost imports.

The decision by Justice George Addy of the Federal Court, issued yesterday refers only to men's and boys' dress suits, jackets, sport coats and blazers. But he said it could also affect other items placed on the Government's import control list.

The Government immediately announced that it will launch an appeal, and as a result the import ban on men's and boys' clothing remains in effect until the appeal is heard.

Under the Export and Import Permits Act, the Government has the power to restrict imports that could cause or threaten injury to domestic producers of competitive goods.

The restriction usually comes after a report to the Federal Textile and Clothing Board of the Government's Anti-Dumping Tribunal.

Mr. Justice Addy said the Federal Act empowers the Cabinet only to limit the import of certain goods and within a time limit. He said the Cabinet had failed to impose any limitations on the quantity of men's and boys' wear to be controlled, nor did it say how long the import ban would be imposed.

Dispute over new fibre

AMSTERDAM — ENKA sees no reason, in the light of present knowledge, not to proceed with a potential new fibre plant, despite possible patent problems involving the Du Pont de Nemours group, an Enka spokesman said in Arnhem yesterday.

Enka, part of the AKZO group, will decide at the start of 1980 at the earliest whether to bulid a factory costing Fl150m to Fl200m (£35m to £47m) to produce a new synthetic fibre, Arenka. The fibre which is said to have the strength of steel but is seven times lighter, is intended for use in industrial ????—— such as in airships and tyres.

A spokesman for Du Pont (Nederland) said Du Pont feels it has a proprietary position with regard to patents on aramid fibres of the type Enka may produce. Du Pont has already developed and produced such fibres under the Kevlar brand name on a commercial scale in the U.S. and has had informatory talks with the Dutch Government on the situation concerning them, he added.

The Enka spokesman said his company would like government financial assistance to help meet the costs of the plant, if a decision to go ahead is made, and has made contact with the Government.

The question of a new plant is separate from proposals for structural improvements and modernisation at Enka's Emmen plant, for which Fl 150m Dutch State assistance is being sought, the Enka spokesman said.

However, a new fibre plant could be operational at Emmen at the start of 1983 and offer work for some 180 workers, while the Emmen reorganisation plans involve a trimming of current workforce there to 3,000 from 3,500 in the early 1980s, he said.

On the subject of patents, he said there are few unique products in the fibre industry.

Reuter

Nippon to import aluminium

BY YOKO SHIBATA IN TOKYO

NIPPON Light Metal, Japan's only and largest integrated aluminium smelter-roller-processor, is to import more aluminium ingots from Alcan of Canada to replenish a shortage of ingots resulting from the scrapping and freezing of smelting facilities.

The Japanese aluminium industry has been designated as a structurally-depressed industry, suffering mainly from overcapacity, and a Government stabilisation plan calls for the scrapping or freezing of 530,000 tons, or 32 per cent of current annual capacity of 1,640,000 tons, by the end of March, 1980.

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Making pure water flow in the desert is one such example. An imaginative scheme incorporating a £70 million treatment plant at Buwayb, Saudi Arabia, for the supply of 65,000 cubic metres of potable water per day to the capital, Riyadh. A project undertaken and now nearing completion by Ames Crosta Babcock Ltd, in association with Ajax International Corporation of Santa Barbara, California. It is believed that this is the highest value contract ever awarded for a turnkey water treatment plant.

A key element in the overall system is an application on a massive scale of desalination by reverse osmosis.

The plant at Buwayb is one of the largest of its type to be installed anywhere in the world.

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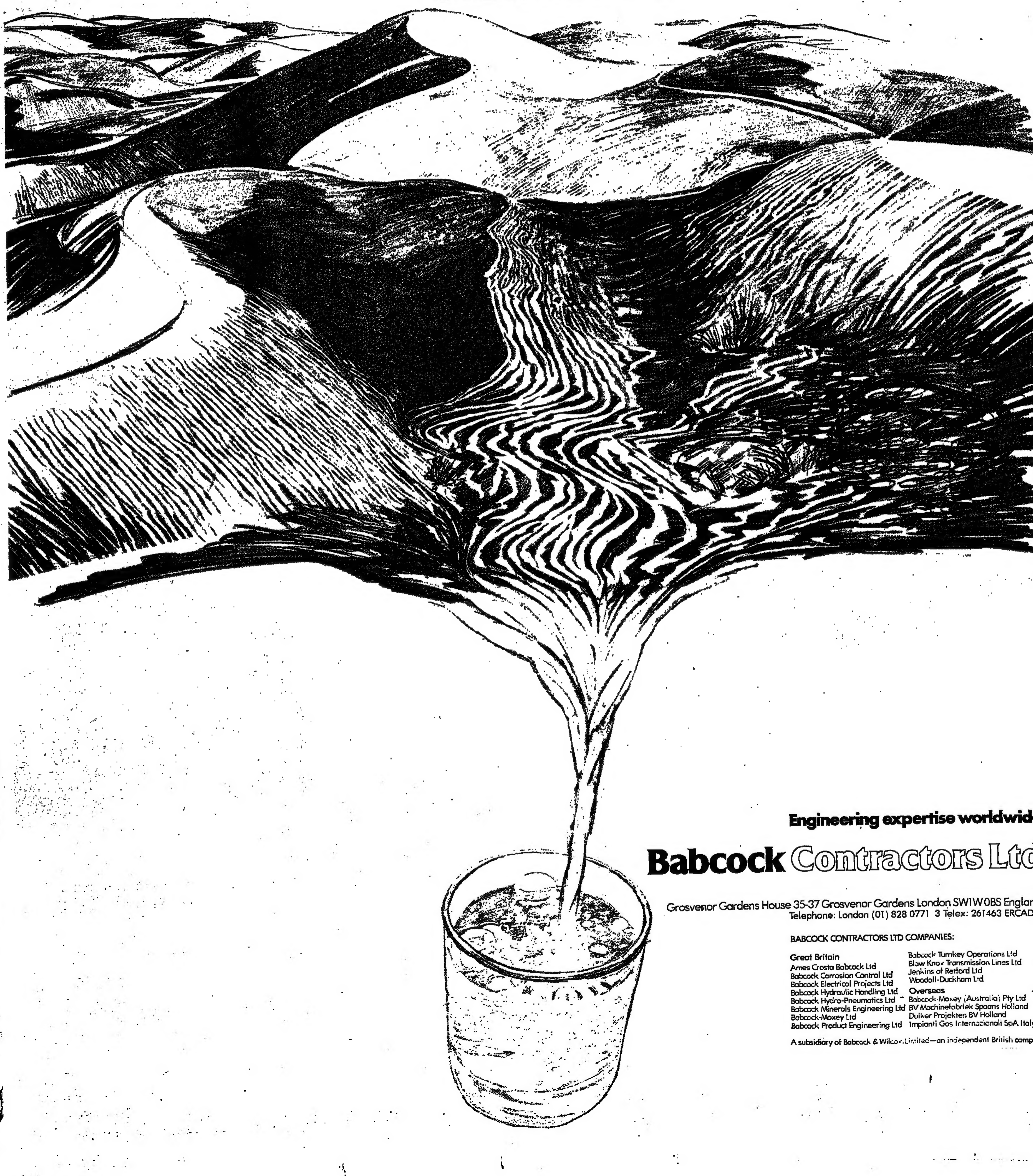

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UK NEWS

Lloyd's group talks on Merrett

BY JOHN MOORE

THE THREE-MAN action committee of the Lloyd's of London underwriting syndicate, formerly headed by Mr. Frederick Sasse, has called a meeting of the 110 members of the syndicate on Wednesday at Lloyd's.

The syndicate members, who are facing £13.6m of losses, will discuss the planned resignation from the management of the syndicate of Mr. Stephen Merrett and his company Merrett Dixey Syndicates.

Merrett Dixey said yesterday that it was resigning from the management, which it had taken over last year from Mr. Sasse at the request of Lloyd's when the syndicate ran into trouble, because its position had "become untenable."

Merrett Dixey said time which should have been spent by the agent to recover money for the syndicate had been taken up by lengthy negotiation and arbitration between Merrett and the 16-strong ruling committee of Lloyd's.

"We have 2,253 members on our own marine syndicates," said Merrett Dixey yesterday, "and they were concerned at the length of time that was being spent on the problem."

Merret Dixey was also concerned that since it had taken over the Sasse syndicate at Lloyd's request the problems were more serious than had first appeared.

Merrett Dixey discovered that the syndicate was facing losses of £13.6m and that the accounts had been so seriously misstated that the City of London Police Fraud Squad had to be called in. The police investigation is still continuing.

Unless Lloyd's acts to appoint a new managing agent for the syndicate, under the terms of Merrett Dixey's contract the management of the syndicate will revert back to Sasse Turnbull, Mr. Frederick Sasse's managing company which looked after the affairs of the syndicate.

Irvine leaves £60,938

FORMER Solicitor-General, Sir Arthur Irvine, Labour MP for Edge Hill, Liverpool, from 1947 till his death last December, aged 69, left £60,938 gross (£53,189 net) in his will published yesterday.

Court ruling today on NEB joint computers venture

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A HIGH COURT ruling is to be given this morning over whether the National Enterprise Board has exceeded its powers in its attempts to secure a joint computer venture between one of its subsidiaries, Data Recording Instruments (DRI), and a U.S. corporation.

At the same time, the National Research Development Corporation is expected to sell its 24 per cent stake in DRI to the NEB if the American deal goes through.

These are the latest developments in a long-running battle between DRI, which is now 63 per cent owned by the NEB, and Grundy (Teddington), which founded DRI 25 years ago and still holds a 13 per cent stake.

Last night Mr. Stanley Grundy, chairman of Grundy (Teddington), said that DRI had been "unsuccessful" since it was taken over by the NEB in 1976 and had cost his group "millions of pounds." He wanted a "full investigation" into why DRI had "lamentably failed."

The occasion for his complaints is a deal now being finalised by the NEB for DRI to link up with Computer Data Corporation (CDC) of the U.S. to make computer peripherals.

The NEB already has nearly £5m invested in DRI and is planning to inject a further £8m into the new Anglo-American venture. On Monday, Grundy gained an ex parte interim injunction restraining the NEB from finalising the deal but yesterday failed to obtain full confirmation on the injunctions. It now plans to appeal.

In the meantime, however, the NEB tried to end the dispute by offering to indemnify DRI directors against any damages claim that might be brought by Grundy if it were held at an eventual full trial that they had acted improperly in signing the deal with CDC.

Grundy, however, claimed that the NEB was exceeding the powers contained in its statutory guidelines by making this offer because such a matter of policy would have to be reported first to the Secretary of State for Industry.

The NEB is expected to reply to this point this morning and a temporary injunction is remaining in force till this has been done.

Further legal action might then be started by Grundy in an attempt to block the deal for a further period.

Grundy's basic complaint during the injunction hearing has been that DRI directors have been influenced by the "national interest" and not their shareholders' interest in drawing up the American deal.

Grundy opposed the deal on the grounds that its prospects were uncertain. It was expected to make losses over the next two years whereas DRI, if left alone, was expected to make profits of about £1.2m for the same period.

Last night, Mr. Grundy said he believed it "should be possible to restore DRI as a fully British company to its preeminent position in Europe as the manufacturer of disc stores, given the right management."

The DRI directors have answered that, without the American deal, DRI would probably decline as its technology became out of date.

Mr. Justice Vinelott said in the High Court he was satisfied there was a real risk that CDC might withdraw if the contract was not signed soon, with serious consequences for DRI and its employees.

The proposed new venture was essentially a matter for commercial judgment. The undertaking offered by the NEB to stand behind the DRI directors had reinforced his view that the full injunction should not be granted.

It was after the judge had said this that Grundy decided to challenge the NEB over its right to offer such an undertaking.

Vehicle output up 16%

PRODUCTION of commercial vehicles in the first quarter of 1979 rose by 16 per cent compared with the same period last year, according to Department of Industry figures published yesterday.

Production for the home market rose by 30 per cent to 71,591, but the export total fell by 1 per cent to 48,307.

A total of 119,898 commercial vehicles were produced between January and March compared with 103,682 during the same period last year.

Recorded production of cars in the first quarter of 1979, at 325,364, was 9 per cent below the total of 358,491 in the corresponding period of last year. Production for export fell by 20 per cent and for the home market by 2 per cent to 206,389 making a total number of 325,364 cars being produced in the period compared with 358,491 in the same period last year.

But seasonally adjusted production for cars in March was 8 per cent above the 1978 average.

Chemical imports up 18%

BY SUE CAMERON, CHEMICALS CORRESPONDENT

CHEMICAL IMPORTS to the UK rose in volume by 18 per cent last year while import penetration of the British chemicals market went up from 28 per cent in 1977 to 32 per cent in 1978, according to figures released today in the official publication Trade and Industry.

But the UK maintained a positive trade balance of £1.4bn in chemicals last year—about the same as in 1977. Exports, which were worth £4.5bn, rose in volume terms by about 10 per cent. Imports of chemicals were worth £3.1bn.

UK chemicals output rose by 1 per cent overall last year compared to 1977. But the growth rate in soap and detergents was higher while the synthetic rubber, dyestuffs and pigments industries appeared to have had "a difficult time."

Trade and industry says the UK chemicals sector "continued to be affected by worldwide over-capacity for some products which resulted in artificially low prices, intensified competition and an increase in imports."

It adds that the recent uncertainties over supplies of raw materials and over the price of naphtha—a basic petrochemical feedstock—have "added to the anxieties of the industry."

Last year—prior to the dramatic increase in naphtha prices which only started to take effect this spring—the cost of materials and fuel used by the UK chemical industry went up by 4 per cent. Trade and industry says this is "a very significant reduction from the 20 per cent increase in 1977." But it adds that this low rate of increase is unlikely to continue for much longer.

Investment in UK chemicals went up by 20 per cent last year and topped the £1bn mark for the first time. The rise was the biggest since the peak year of 1970 and it is expected that real investment in 1979 will be at a similar level.

Tesco plan to revive dockland

FINANCIAL TIMES REPORTER

A COMPREHENSIVE new strategy to regenerate the decaying dockland area of London was put forward yesterday by the Tesco supermarket chain.

In written evidence to the environment sub-committee of the Commons Expenditure Committee, Tesco suggests that retailing could be th ekey social and economic generator of new life in the docklands.

Tesco was one of the first supermarket chains to transfer its superstore development from out-of-town sites and actively seek inner city sites for development.

In its evidence, Tesco says that retailing "could play an important physical, economic and social role in the regeneration of Britain's depressed, inner urban areas." The physical role would be achieved by the planned reclamation of derelict land; the economic by generating employment opportunities and rateable value and by stimulating investment confidence; and the social role would be achieved by "creating an attractive service environment essential to check the outmigration of population."

For the dockland area, Tesco suggests a nine-point plan, including greater co-ordination of development efforts

London port loss doubles to £17.6m

BY LYNTON McLAIN

THE PORT of London Authority's losses more than doubled to £17.6m last year and the management has reaffirmed that closure of the Royal Docks is the only way to commercial viability.

The authority is technically insolvent, Sir John Cuckney, the chairman, said yesterday on publication of the annual report for the year to the end of December. Reserves have been exhausted, leaving an accumulated deficit of £6.5m, compared with an £18m reserve three years ago.

The authority's closure plan for the Upper Docks, called for in May, was rejected by Mr. William Rodgers, Transport Secretary. He offered, however, £35m of state aid to meet the cost of running down surplus dock labour by severance on condition that the authority presented a detailed costed plan for the port's future.

More than 320 workers were made redundant last year and the target of 1,489, called for in the authority's short-term plan requested by Mr. Rodgers, is expected to be met on time by the end of June.

Sir John said the Upper Docks continued to be an "insupportable drain on our resources." They include the India and Millwall Docks, and lost £9m over the year, before taking account of general overheads and interest, with the Royal Docks accounting for £5m of that total.

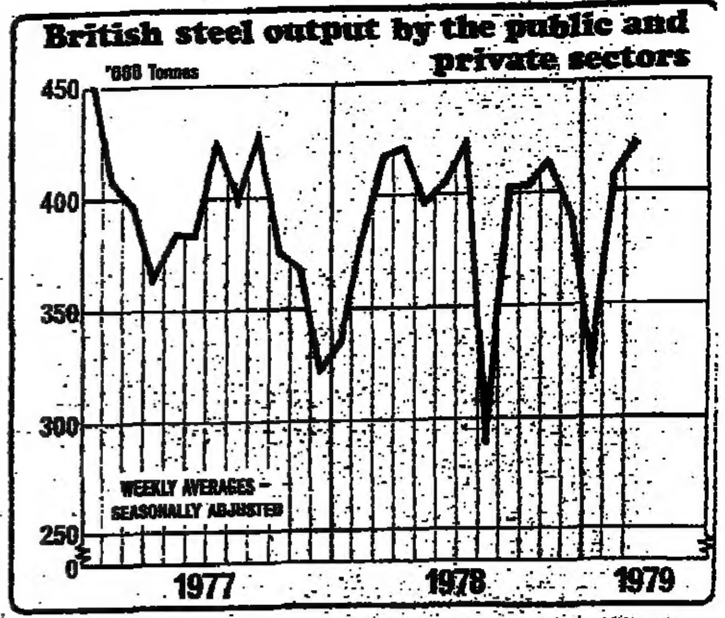
Part of the decline was attributed to a 20 per cent fall in conventional cargo tonnage handled by the Upper Docks.

The port as a whole last 1.5m tonnes of cargo, representing an average drop in trade of 3 per cent compared with 1977.

The authority made a profit of £370,000 on operating revenue of £77.3m, compared with £3.5m on a turnover of £71.5m in 1977.

Interest payments of £6.8m and overheads of £6.5m contributed to the total loss for the year of £12.7m after taking account of restructuring costs and £4.6m of government severance aid.

Talks are under way with the unions on detailed longer-term plans. The option favoured by the authority involves a further cut in the workforce of 2,700.



Steel users start to build up stocks

BY ROY HODSON

STEEL USERS and wholesale stockholders are starting to build up steel stocks for the first time for more than a year.

Steel producers—both the British Steel Corporation and the private sector companies—are taking the new trend as a sign that the industrial economy may be starting to pick up.

British Steel last night welcomed the higher rate of steel ordering as the best news for a long time.

The corporation's production is now brisk and during March was at the highest level for a year.

Mr. Gordon Sambrook, commercial director for the corporation and a Board member, said the forward prospects for business were also looking better than they had for a long time.

The good March steel production figures for both the public and private sectors reflected a rush by steelmakers to catch up with a backlog of orders caused by the road and rail disputes and the bad weather of the early months—two factors which disrupted distribution.

But Mr. Sambrook believes there is an underlying improvement in demand for steel after all special factors are taken into consideration.

Delivery dates for some steel products are already stretching several weeks ahead as order books are filling.

The main danger to a steel recovery in Britain now must be th eprospect of bigger steel imports.

Imports are a serious problem for British Steel—particularly in the flat-rolled products market—as many users of sheet and strip steels import from Europe to ensure continuity of supply.

There is much over-production of flat-rolled steel in the European Economic Community and the British market has proved a soft target for surplus supplies.

Unofficially, steel analysts estimate that British Steel is supplying only about half the British market for flat-rolled products, and that imports account for the remainder.

British Steel is likely to report losses of between £350m and £380m for the financial year to end March, 1979. Its prospects for significantly reducing losses in 1979-80 depend on a better flow of orders from the home market, together with continuity of production.

Pearson Longman award

By Tim Dickson

PEARSON Longman and Record Ridgway have won the 1979 Accountant Stock Exchange Annual awards for public company reporting.

The awards, formerly known just as the Accountant annual awards, are for reports and accounts presented at annual meetings and are judged by their form and content with particular reference to the adequacy and presentation of information.

Pearson Longman, which among other interests owns the Financial Times, Westminster Press and Longman Penguin, won the award in the large company section. Record Ridgway, which is engaged in the manufacture and sale of engineers' and woodworkers' hand tools and forgings, took the small companies' prize.

Baking Industry not surprised by Price Commission decision to freeze rises

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE PRICE Commission's decision yesterday—a week before the General Election—to freeze price rises of 2p per standard loaf of bread for three months comes as no real surprise to the baking industry.

The industry was quick to say that baking must be the most investigated industry in Britain.

Between 1965 and 1970 there were five full-scale investigations by the old Prices and Incomes Board, followed between 1973 and 1977 by an extensive Monopolies Commission probe.

Although the Monopolies Commission came to the conclusion that, in general, the bakers' monopoly did not unduly work against the public interest it suggested that the industry's lack of profitability was "due largely to the effects of statutory price control and other forms of official intervention."

Associated British Foods—one of the two big bakers left in the industry following the Spillers pull-out last year—also pointed out yesterday that it had presented the two Price Commissions since 1973 with about 70 different submissions on the state of the industry.

Not surprisingly, Mr. Garry Weston, Associated's chairman, suggested that the Price Commission's decision seemed "politically motivated" in view of the election.

Rank Hovis McDougall, the other major baker left in the industry, also described the decision to freeze the rises as "extraordinary."

However, after the bakers had made it clear that last December's 1p a loaf increase was only a temporary measure,

NEWS ANALYSIS

BREAD PRICES

the Commission probably decided that a further 2p increase after five months had to be investigated.

But as Mr. Weston made clear last night, the 2p increase would only just bring Associated's baking activities back into profitability until the next round of raw material and labour cost increases later this year.

Mr. Roy Hattersley, Prices Secretary, last night defended the Commission's decision, saying it was "an independent decision taken by an independent Price Commission."

The long-term problem for the baking industry is that the consumer's appetite for bread has been falling steadily since 1945. This decline probably represents about 2 per cent a year and when the standard loaf of bread—which still accounts for about 78 per cent of consumption—is not available, then demand for bread falls even faster.

In the fourth quarter of 1978, for example, which included the last bread strike, total bread consumption fell by 5 per cent and white bread consumption fell by 9 per cent.

Both Associated and Rank Hovis have been able to recover some of their lost market share since then, but they have not been successful in winning it all back from the independent bakers.

The significance of falling demand for bread and the loss of volume to other bakers for the big two—who account for about two-thirds of production between them—is that their whole operations are geared to producing a high volume, low margin product.

The name of the game is sell as much bread as possible—a scenario that has led to chronic overcapacity in the industry and given the supermarket chains the power to demand large discounts, which the bakers can ill-afford, for stocking particular brands.

Spillers' decision to pull out of baking a year ago eased the overcapacity problem—the industry's capacity was running at a quarter more than needed before Spillers shut down—but there is still something like a fifth too much capacity left in the industry.

Consequently, both Rank Hovis and Associated have been forced to announce recent plant closures and more must inevitably be on the way.

The long-term outlook for bread consumption also remains bleak. Although the bakers feel that the media and medical profession has been unfair about bread in the past, the main reason for the fall in bread consumption lies with the rising standard of living.

In the short-term, however, the Price Commission is expected not to decide on whether to grant an interim price rise until after the election. But it may decide that although the baking side of the business is unprofitable, the profitable milling activity may mean that no interim increase should be given.

This clearly was Mr. Hattersley's line of thought last night when commenting on the Price Commission's decision in an election speech. "Every milling company requires the bakers within its group of companies to buy flour exclusively from the parent organisation," he said. "By so doing they can announce an apparent loss on baking, make a substantial profit on milling and still maintain the position of the company as a whole.

"That process is reinforced by the circulation of identical price lists for flour which the millers circulate to their customers and by the discussions that go on between Associated British Foods and Ranks Hovis McDougall before they make identical increases in the price of flour."

Set of 80 Goya plates fetches £82,500

SALEROOM

BY ANTONY THORNCROFT

TWO SUCCESSFUL sales at Sotheby's yesterday saw Old Master engravings, etchings and woodcuts total £455,715 and silver £273,914. The top price, way above forecast, was £82,500 (plus the 10.8 per cent buyer's premium and VAT) paid by David Tunick, a New York dealer for the set of 80 plates of Goya's Los Caprichos, fine impressions of Harris' trial proofs before the first edition of 1799.

An engraving of St. Augustine and the Child of the South German School of the mid-fifteenth century sold for £23,000 and the 16 plates of Carceri d'Invenzione by Piranesi for £15,500. St. Philip by the Master E.S. made £12,000 and Tunick again paid £11,500 for St. Simon by the same artist. St. Bartholomew, also by the Master E.S., went for £10,500.

Partridge Fine Art secured a pair of George III oval soup tureens and covers by Paul Storr for £14,000, while five oval meat dishes from the same silversmith made £13,000. Howe of Edinburgh paid the same sum for a William and Mary Montieth bowl.

Lawrence of Crewkerne completed a two-day sale of silver and jewels for a total of £181,855. Top prices yesterday were the £2,500 for a Faberge rock crystal figure of an elephant, 2¼ inches long, and the £1,600 paid by the Science Museum for an oval silver tobacco box made by Isaac Cookson in Newcastle in 1734 and presented to the engineer Carlyle Spedding, with his initials.

At Sothebys in Chancery Lane, 14 first editions of Ian Fleming's James Bond novels sold for £220 and 23 first editions of Agatha Christie made £155. A first edition and dedication copy of Conrad's Nostromo was bought by Bay Scott, the New York dealer, for £1,500.

● Christie's Bordeaux wine sale yesterday saw a few exceptionally popular wines make new top prices, but the level was generally below its best. Among the 1966s, Lafite was going for £320 a dozen, Latour for £290 and Haut-Brion and Cheval-Blanc for £210; and the 1970s ranged from £240 a case (Lafite) and £220 (Mouton-Rothschild) to £185 (Cheval-Blanc) and £175 (Haut-Brion).

Among exceptionally high prices per case were Latour 1953 (£460), Latour 1959 (£370), Lafite 1961 (£800), Palmer 1961 (£520), Ducru-Beaucaillou 1961 (£260), Petrus 1970 (£420), and Lafite 1970 (£280). The net total with 99 per cent sold was £110,115.

Ferodo wins award

By Christopher Lorenz, Management Editor

ALL BUT one of this year's Design Council awards for consumer and contract goods have gone to products made by small or medium-sized companies. The exception is safety flooring made by Ferodo, part of the Turner and Newall group.

The five award-winners were named yesterday, less than a week before the planned announcement of the council's engineering prizes.

The Ferodo flooring, brand-named Ducktiles, is in the form of interlocking polypropylene tiles, design to replace wooden duckboards used on factory floors but it is expected to be used widely outside the factory.

Another award winner which is also expected to have a far wider use than initially conceived is a flexible tape barrier made by Tensator, part of the 400-man Beckett, Laycock and Watkinson group.

It was originally developed by a design consultancy to channel passengers at airports but Tensator foresees annual unit sales of 7,000 in the UK alone and is now marketing the barrier worldwide.

A third award-winner, and for the third time since 1971, is Paterson Products, which employs about 200 people in its photographic darkroom equipment business. This year 11 new items were selected by the judges.

The other two winners have more of a craft-based image. J. M. Henshaw (Marine) is decorated for its Tinker Tramp inflatable sailing dinghy. And Isle of Wight Studio Glass, which employs 17 people, wins for its gold and silver leaf finish for hand-made glass.

Stock Exchange probes technology

BY NICHOLAS COLCHESTER

THE STOCK EXCHANGE hopes that its members will want it to play a co-ordinating role in deciding how the British securities dealing system should evolve under the impact of new communications technology.

Presenting a study, commissioned by the Exchange, on "Technology and the Future of Stockbroking," Mr. Robert Fell, chief executive of the Stock Exchange, told representatives of member firms that the Exchange "can now stand back, for the first time in three years, and take a look at the trading system as a whole."

Mr. Fell pointed out that now the Talisman computerised settlement system is running, its development team of 35 people is available to consider the broader problem of technology and the Stock Exchange. But, together with other officials, he made it clear that in contrast to the development of Talisman the Exchange did not want to impose the thinking of such a group on members.

There seem to be two reasons for that. First, the introduction of Talisman led to quite an argument about its cost. The author of the technology study, Mr. Michael Josephs, called it "the high-water mark in the introduction of centralised and compulsory service," and a groan of assent went round the conference room.

Secondly, whereas settlement had by definition to be centralised, the Stock Exchange is conscious that the extent to which a member firm computerises itself, and the system it adopts to do it, is a competitive decision. The Exchange is reluctant to tell members how they should compete.

Mr. Patrick Mitford-Slade, of Cazenove and Co., a council member who is chairman of the information and communication committee, said the council should develop a "central, flexible technological infra-structure" whose services the membership would use on a voluntary and commercial basis.

Mr. George Hayter, director of the Exchange's technical services, suggested that it should make its technical skills available as a sort of consultancy.

The Exchange is approaching members diplomatically, in the wake of Talisman and at a time when profits in the broking and jobbing business are not high, but it is clear that its executives feel they must progress from developing modern information and settlement systems to studying how an electronic dealing network might evolve. They already have something to build on there. The new TOPIC share information system was conceived as a network which could be expanded to include trading if necessary.

'Uncompetitive' sterling likely to remain vulnerable in medium-term, say analysts

STERLING is likely to be vulnerable over the medium-term, according to leading foreign exchange market commentators.

Exchange Rate Outlook, a monthly review, says sterling is highly uncompetitive judged by relative price levels. It is also higher than suggested by the growth of money supply compared with other countries.

"So far these weaknesses have been overshadowed by the improved balance of payments and the North Sea oil benefit, but the position remains vulnerable and a period of disappointing trade figures could cause a sharp reversal."

The Outlook is produced by two London Business School economists together with money brokers Charles Fulton and the Gower Press.

Similarly, Forex Research argues that the rapid rise in sterling appears to be overdone and that it looks bearish in relation to the dollar and the Deutschemark.

Such options have been made increasingly likely as the market regains awareness of Britain's underlying economic difficulties.

Both comments were written before the recent fall in sterling back to the levels before the Bank of England stopped intervening on a large scale at the beginning of this year.

Exchange Rate Outlook and Forex both suggest that sterling is likely to be slightly below its current levels on both a six and 12 month view. Nevertheless, the projections have in general been revised upwards compared with earlier forecasts.

This is partly because the estimate made at the end of last year proved to be far too pessimistic about sterling's performance in the first few months of 1979. This error was partially the result of the market reassessment prompted by the sharp rise in oil prices.

Forex says that although the market believes a Conservative Government will emerge and that it will be a bull point for sterling, the immediate impact of policy changes could be quite the reverse. This could happen particularly if exchange controls were scrapped or substatnially liberalised.

In another review stockbrokers Phillips and Drew argue that the key problem in financial policy facing any government after the election will be the resolution of the potential conflict between the maintenance of exchange rate stability and the achievement of monetary targets expressed in terms of sterling M3, the broadly defined money supply.

Relaxation

The brokers suggest that a Conservative Government would probably aim at breaking the link between domestic and external financial policy through progressive relaxation of exchange controls.

The build-up of North Sea oil production is likely to maintain the tendency for sterling to rise to levels above those dictated by considerations of export competitiveness unless there is an offsetting relaxation of exchange controls.

The main conclusions are that there is limited scope for official action but there might be clear advantages in fostering an international sterling bond market centred on London.

Record lift by rig yard cranes

A STEEL frame weighing as much as 330 double-decker buses was lifted yesterday to set a world record at the Ardersier construction yard of McDermott Scotland on the Moray Firth.

The 3,732 metric tonne frame was hauled from ground level to stand vertically about 230 feet high by a team of radio-controlled cranes to form a steel jacket being fabricated for a North Sea oil platform.

Inflation erodes aid to Scotland, claims institute

BY RAY PERMAN, SCOTTISH CORRESPONDENT

FINANCIAL help to industry in Scotland has fallen in real terms by 17 per cent over the life of the Labour Government, according to the Fraser of Allander Institute.

The Institute says that at current prices Government spending on trade, industry and employment north of the Border increased from £205m in 1973-74 to £329m. But when allowance was made for inflation this represented a real decline of 17 per cent.

The biggest element in the reduction was the withdrawal of the regional employment premium in December, 1977, as part of cuts in public expenditure.

This meant a loss to Scottish industry of £79m a year and in the short term must have had a detrimental effect on company profits and employment, the Institute says in its quarterly economic commentary.

"Whether offsetting tax reductions made possible by these spending cuts would contribute more to the long-term strength of the Scottish economy is not clear.

"The fact that tax cuts in the UK apparently cannot be made partially selective, coupled with the high import propensities of UK residents, suggests that this is doubtful."

Reviewing the economic indicators over the life of the present Government, the Institute concludes that the Scottish economy is weaker now than in 1974, although this cannot be attributed entirely to changes in Government policy.

Looking ahead, the Institute predicts a continuing slow growth in output of 2-2.5 per cent over the next six months.

Quarterly Economic Commentary, April, 1979. Fraser of Allander Institute, 100, Montrose Street, Glasgow. £1.

Parliament told not to meddle in local government affairs

BY MAURICE SAMUELSON

PARLIAMENTARY candidates were told yesterday that, if elected, they should not interfere in local government affairs, as had happened increasingly under the last Parliament.

Sir Duncan Lock, chairman of the Association of District Councils, protested at proposals voiced in Parliament that the Comptroller and Auditor General should take over the audit function in local government; that the present audit system should be terminated; and that local authorities should lose the power to appoint their own auditors.

"It is totally wrong that local government and local authorities should come under the scrutiny of MPs and that we should have to justify our spending to them," Sir Duncan told a regional meeting of the National Housing and Town Planning Council in Weymouth.

In particular, he said, local housing was the responsibility of district councillors, not MPs. Local discretion should apply to the sale of council houses. Rented council accommodation would always be needed, although not at the present level, he said.

Waiting on the phone loses £300m

Financial Times Reporter

TELEPHONISTS WHO leave you hanging on for "just a moment" run up telephone bills of £300m a year—almost exactly last year's Post Office profit.

That is the cost of all those frustrating wasted minutes waiting to be connected, according to Mr. Bernard Marks, chairman of the Alfred Marks Bureau.

"Our research shows that about 10,000m business calls are made a year and about two minutes are wasted hanging on per call," he said. "This amounts to a telephone bill of about £300m a year.

"Then there are the hidden costs—the damage it does to the image of a company, the wasted time of executives and lost orders—which could easily double the bill."

According to a survey by the bureau, published yesterday, much of the blame rests with companies themselves.

Nearly half the 500 telephonists and receptionists interviewed said their mood affected their approach to the job.

They were annoyed most by not knowing where to find people and general lack of information (mentioned by 27 per cent), inefficient equipment (16 per cent), and bad lighting (10 per cent). Noise and draughts were also blamed.

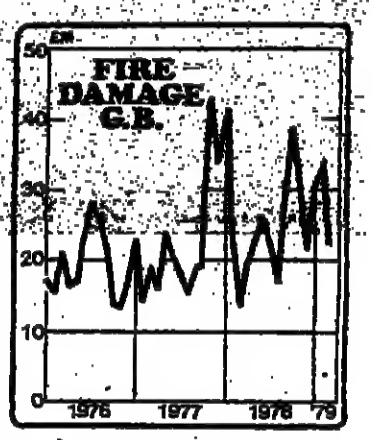
Three per cent disliked being chatted up on the phone, 5 per cent liked being chatted up and 2 per cent enjoyed doing the chatting up themselves.

Nearly all described themselves as either polite, friendly, helpful, efficient, cheerful, co-operative or professional. Only 1 per cent said they were "abrupt."

Fire damage costs fell by £12m in March

BY ERIC SHORT

FIRE DAMAGE costs fell sharply in March, even though there were four major outbreaks during the month, including a £1.4m fire at Bedford School.



Figures published yesterday by the British Insurance Association showed that fire damage costs in March had fallen by £12m to £21.1m, from the unusually high levels of the past six months.

But those figures were still very much higher than in March, 1978, when damage was an abnormally low £13.4m. Thus fire damage costs for the first quarter of 1979 were 9 per cent higher at £85.8m than in the corresponding period last year, in spite of that quarter being affected by the firemen's strike.

In addition to the fire at Bedford School, which destroyed a building, there was a £1.9m fire at the men's clothing warehouse of S. Rose and Co., in Birmingham. There were two other fires, each costing £1.3m. One was at a textile complex in Yorkshire, and one in Scotland. Altogether, there were 13 fires which caused damage of at least £250,000, and 38 major fires at public places, such as cinemas, schols, shops, social clubs, and theatres.

Holiday record expected

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A RECORD number of 5.3m Britons are expected to take holidays overseas this year, 1.1m, or about 26 per cent, more than last year.

Gross revenue from these holidays is estimated at £813m, more than 40 per cent above the 1978 estimate of £574m, reflecting the increased cost of individual holidays and the extra travellers.

The figures are based upon the number of seats on aircraft engaged in the holiday trade authorised by the Civil Aviation Authority, which allocates holiday flights to tour organisers and airlines.

Travel trade reports that there might be too little demand for overseas holiday flights appear to have given way to the view that there will be a shortage of seats this summer.

A new airline, Air Europe, which starts flying on May 4 with a fleet of three Boeing 737 short-haul jet airliners, has sold all its 250,000 available seats to the end of the year and is now selling seats for 1980.

The biggest individual holiday organisation is Thomson Travel which, according to the Civil Aviation Authority, has been authorised to sell 734,000 return seats, followed by British Airways Sovereign and Enterprise Holidays (Silver Wing Surface Arrangements), with 360,552.

Third in the list is Cosmos Air Holidays, authorised to sell 342,000 return seats, followed by Horizon Midland (304,000), Laker Air Travel (174,000), and Global (137,150).

CONTRACTS

£3m orders for Ford & Weston

BUILDING CONTRACTS totalling £3m have been won by FORD WESTON GROUP, Cheltenham. At Derby extensions are being carried out to the Engineering School, for the British Rail Board, worth £1.26m. Other work includes Penns Hall Hotel extensions (£605,000) and a stores complex for Dowty Fuels (£800,000).

★

Fork lift truck hire contracts worth more than £480,000 have been awarded to HARVEY PLANT, High Wycombe, Bucks, part of the Lex Group. Largest single contract, worth more than £308,000, is for the supply of 19 fork lift trucks to the leather processing industry. There is also a contract worth £172,000 for 10 fork lift trucks hired to a plastic processing company.

★

DAVIES AND METCALFE has contracts for automatic air brake equipment from British Railways Board, worth over £1m, including 900 sets of new wagons and 230 sets for new air-conditioned sleeping cars. A further contract covers 110 sets for soda ash carrying wagons to be built by British Rail Engineering for export to the Kenya Railway Corporation. A subsidiary company—Davies and Metcalfe (Equipment)—has a contract from Metropolitan Cammell for automatic and intermediate couplers for 75 two-car train sets to be delivered to the Hong Kong Mass Transit Railway. Value of this contract is over £800,000.

★

Contracts worth about £1m for acoustic audio equipment for the Clansman programme have been given to RACAL ACOUSTICS by the Ministry of Defence (Procurement Executive). The contracts are for headgear sets, pressed switch box assemblies and infantry and B vehicle head-sets.

Hotelplan has ordered a SPERRY UNIVAC 90/25 computer system worth £120,000 for its expanding holiday and tour businesses.

Western Region British Rail has awarded BRUNSWICK CONSTRUCTION, Pomtyclun, a contract worth over £500,000 to build a 1¾ mile link line in the Ford Motor Company's new engine factory at Bridgend. The contract is part of a £1.6m scheme to provide a rail connection with the company's works, due to be opened in 1980. Work on the line will begin shortly and will involve moving 110,000 tonnes of earth and laying 8,000 tonnes of ballast.

SNAMPROGETTI, member of the ENI Group, has a contract from the Petrotex Chemical Corporation, Houston, to uprate the methylterbutylether plant under construction in the Houston Ship Channel, to make it the largest of its kind in the world. Snamprogetti also has a contract from the British Gas Corporation for a natural gas liquefaction plant to be built at Dynevor Arms, South Wales. The plant should be in operation by 1983.

An order from North America for machinery to manufacture halogen lamps for the automobile industry has been placed with ALFRED BADER, a subsidiary of Forward Technology Industries. The contract is worth about £600,000.

AIR PRODUCTS, New Malden, Surrey, has a contract from Hyundai International Inc., a heavy engineering company in South Korea, to supply a 50 tonnes/day high purity oxygen plant at an undisclosed price.

Orders for Airdemes totalling over £100,000 have been received by the Barracuda division of CHERWELL VALLEY SILOS, Banbury.

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As well as being crucial to forward planning it allows them to cope swiftly with any eventuality.

Expected or otherwise.

And it's going to be invaluable to most of our clients over the next week or so.

If a strong Conservative government is returned it could mean the recently nationalised industries will be returned to private hands.

If a strong Labour government returns then it could mean more nationalisation.

The Socialists may freeze prices.

The Tories may cut taxes.

Or it could be that the Liberals and others will hold the cards in any one of a dozen permutations.

In any event if you are using the PARSEC tools at your disposal you'll be able to make an accurate assessment of the situation.

Any company that is affected by taxes on imports of raw materials, or changes in V.A.T. or heavier taxes on its products in the market place and so on, is going to have to rethink.

That may be nothing unusual for business these days. But no businessman needs to be floored by the unforseen, whether it's a political upheaval that leads to a fuel scarcity, or a cyclone or a bad harvest or a series of industrial disputes.

Over the last ten years while such disasters have become commonplace, more and more very large companies have relied on Comshare's PARSEC service to help them draw reliable projections and comparative analyses before making any decisions at all.

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UK NEWS — LABOUR

Secret NUJ session avoids a decision on Times picketing

DELEGATES at the National Union of Journalists' annual conference in Ayr yesterday voted by a big majority to hold their debate on the Times Newspapers' dispute in secret. Some delegates had complained that it was absurd for journalists to ban free reporting of their affairs.

A motion tabled by the NUJ executive called on Times Newspapers to reinstate at once all dismissed employees so that production of all the company's titles, suspended since November 30, could be resumed.

It also urged a resumption of negotiations with the National Graphical Association (NGA) which has been at the centre of the dispute over introducing new printing technology.

After 60 minutes the 400 delegates decided not to vote on a motion instructing The Times NUJ members not to cross other unions' picket lines. They were persuaded to allow the NUJ executive more time to consider

The ban on coverage of the debate came when Mr. Barry Fitzpatrick, chairman of The Times all-union liaison committee and a member of the National Association of Operative Printers, Graphical and Media Personnel (NATSOPA), began an address to the journalists.

Relations between journalists and the printing unions involved soured this week after a decision by The Times NUJ chapel (office branch) to defy an executive instruction not to work on The Times's new European weekly edition.

Mr. John Devine, executive member and former president of the NUJ, who appealed for the closed session, said the executive had "agonised" over the ban.

Journalists who favoured it argued that they were at the conference as trade unionists rather than communicators. Any decision taken in closed session would be communicated to the Press and public.

Mr. Jake Ecclestone, father (chairman) of The Times chapel, reiterated his view at the conference that the management had shifted its position on new technology and access to keyboards in the computerised production process. But the management yesterday described any suggestion of a change in its position as "absolutely incomprehensible." It said that work on the European edition was progressing in spite of pressures from German print unions.

● Union representatives of about two thirds of 30,000 Fleet Street printers yesterday agreed on a pay settlement which the employers said would give a 10 per cent increase for 15 months.

The NGA and the Society of Graphical and Allied Trades (SOGAT) rejected the deal, although it was described as a "final offer."

Consolidation

The offer by employers in the Newspaper Publishers Association comprises a 7½ per cent increase backdated to last October and another 2½ per cent from the beginning of May. It includes consolidation of a pay supplement into basic rates and a new minimum guaranteed wage of £65, compared with £60 previously.

● Fears that the Evening News, London, might cease publication were removed yesterday by a management announcement that a major cost-cutting exercise had been agreed with all unions at the newspaper. More than 500 of the 2,200 jobs will go.

New schedules, which will reduce the number of daily editions from seven to four, end publication on Saturdays and Bank holidays, and curb distribution, will be introduced from Monday.

Agreement has been reached on a package that will save a large part of the £5m that the owners, Associated Newspapers, were looking to cut from the paper's losses, running at some £7m a year.

The management said there would be no compulsory redundancies among journalists, but declined to say how many journalist's jobs would go.

Economies

Most of the jobs the Evening News was seeking to shed were with the print unions—120 with the NGA, 144 with NATSOPA and 275 with SOGAT. The management refused to say how many cuts had been achieved with each union.

There had been speculation that once the economies had been achieved, the Evening News would move to introduce new technology, including computer typesetting. But the management said such plans had not yet been finalised and "had never been part of this operation."

Dunlop offer to discuss Speke with unions

By Nick Garnett, Labour Staff

DUNLOP has informed national union officials that it is prepared to have a further meeting with all its unions in the wake of the closure of its plant at Speke, Merseyside.

The company was adamant yesterday however that there was nothing in the unions' "alternative plan" for keeping jobs at Speke which had not already been studied by the company and rejected as impractical.

The company's decision to meet the unions is in response to a request from Mr. John Miller, Transport and General Workers' Union national secretary for the rubber industry and secretary of the Dunlop unions.

No date has been fixed for the joint union meeting with the company, but it is likely to be the middle of next month.

Shop stewards said yesterday that the company had indicated that it still had not completed its study of the union's proposals.

Those involve the maintenance of production in the sports, belting and motorcycle tyre sections with manning reductions in motorcar tyre manufacturing, Government aid and union commitments on flexible working and other practices.

The company said at the weekend that it had completed its study of the union proposals over Easter.

Although about 2,200 of the Speke workforce of 2,400 have accepted redundancy terms, the unions have been picketing Dunlop factories in the North and Midlands in an attempt to force the re-opening of Speke.

Pickets at the company's Coventry wheel and engineering component manufacturing plant withdrew earlier this week after the workforce warned that counter-pickets would be organised if they did not leave.

Picketing of the Fort Dunlop plant in Birmingham is continuing, and management is making strenuous efforts to maintain production.

AUEW urged to give craftsmen better pay and job security

BY ALAN PIKE, LABOUR CORRESPONDENT

THE AMALGAMATED Union of Engineering Workers faces trouble in its ranks unless it treats the problems of skilled workers seriously, delegates to the union's national committee in Eastbourne were warned yesterday.

"If the skilled man does not see anything being done for him he will go somewhere else. There will be competition from within," Mr. Michael Towey, from Birmingham, said.

He said that in the Midlands many companies had vacancies for skilled craftsmen which they could not fill. One was offering a £100 tax-free reward to any employee introducing a new craftsman.

The committee endorsed a resolution instructing the executive to make all endeavours to restore eroded pay differentials in order to retain craftsmen in the engineering industry, attract back those who had left for other jobs and encourage more young people to seek apprenticeships.

As several speakers in the debate pointed out, the AUEW is going through difficult days with its skilled members at British Leyland, whose unofficial leaders are demanding separate negotiating rights.

Mr. Cavin Laird, executive member, said that the executive was constantly pursuing the question of pay differentials but it had to be remembered that the AUEW was a general union. Craftsmen accounted for about one-third of the membership. "Sometimes the biggest difficulty in the formulation of claims is deciding what the differential should be."

The executive, Mr. Laird said, was extremely concerned about the problem of young people who began engineering apprenticeships and left before completing them.

Research pointed to three main reasons for that—lack of an adequate career structure, lack of security and a poor wage structure.

Textile union voices concern over imports

THE Amalgamated Textile Workers' Union conference in Blackpool was warned yesterday over the level of textile imports from Mediterranean countries.

Mr. John Quinn, union president, said that having obtained some relief from the pressure of imports from the Far East, "we do not want the situation undermined by a large increase of textile imports from Mediterranean sources."

The union and Lancashire cotton towns have already expressed their fears to the EEC Commission in Brussels about imports from Portugal, Greece and Turkey. Union executives allege that for political reasons the Commission is trying to appease these countries at the expense of jobs in Britain.

Mr. Quinn said more effort should be made to raise the problem with other trade unionists in the Common Market.

Civil servants to accept offer

BY OUR LABOUR STAFF

INDUSTRIAL action over pay by large groups of civil servants, which has seriously disrupted Government services, is likely to be called off today.

The national executive committees of the two most militant unions, the Civil and Public Services Association and the Society of Civil and Public Servants, meet this morning.

Members of both unions have been voting about three-to-one in favour of accepting a pay offer, which affects about 600,000 white-collar civil servants.

The Institution of Professional Civil Servants said yesterday that meetings of its members were also showing a clear acceptance of the offer.

The offer gives increases of 9 per cent from April 1 this year with a further £1 a week for staff on salaries up to £4,795 a year; a further 5 per cent from August 1, and the balance of rises due from comparability studies on January 1 next year.

● The Civil and Public Services Association said yesterday that postal and telecommunications members would begin a series of selective strikes from Monday to key Post Office centres in protest at the failure of the Post Office to meet a pay claim.

The claim was submitted in February and involves rises of 20 to 30 per cent from April 1 this year, underpinning minimum cash increases of £460, improved allowances and grade restructuring.

Ex-secretary of NATSOPA dies aged 95

MR. GEORGE ISAACS, a former general secretary of the National Society of Operative Printers, Graphical and Media Personnel and a former Labour Minister, died today aged 95.

He was born in London on May 28, 1883, and served as Minister of Labour and National Service, and then as Minister of Pensions, in Clement Attlee's Labour Administration from 1945 to 1951.

He was general secretary of NATSOPA from 1909 to 1948. He was elected to the TUC General Council in 1932, and became chairman in 1945.

He became MP for Gravesend in 1923, and later served as MP for Southwark where he was made a freeman in 1957.

University workers seek 24% rise

A 24 per cent pay increase is being sought for 20,000 clerical and administrative staff in universities, the National and Local Government Officers' Association announced today.

The claim takes into account annual inflation of 12 per cent, plus 12 per cent to reflect the award to university academics staff over and above their general salaries settlement. This would provide a minimum increase of £8.50 a week.

The claim will be presented today at a meeting of the Joint Committee for Clerical and Related Administrative Staffs of the Central Council for non-teaching staffs.

Mr. Alex Thompson, NALGO national officer for universities staffs, said today: "The staff side's claim is based not only on the declining real income of university employees but also on the lack of opportunities for our members to enhance their earnings through the kind of productivity deal being negotiated by other groups.

"These workers, which include administrative, clerical, secretarial and library staff in universities, are often overlooked, yet the jobs they do are essential for the day-to-day running of the universities."

The joint committee will also consider proposals for a 35-hour working week, a national system of payments for unsocial hours and overtime, and improvements in basic annual leave entitlement.

Call for health service code on disputes

THE DEPARTMENT of Health was urged yesterday to draw up a code of conduct to govern future industrial action in the health service.

Mrs. Hella Reissmann, of the Association of Nursing Practice told the Royal College of Nursing's annual congress in Guernsey that during their winter dispute, ambulancemen had been prepared to take dying people to hospital but had refused to transport elderly patients for treatment in day clinics.

However, the college's general secretary, Miss Catherine Hall, defended the right of unions to strike even in essential services. "The RCN has relinquished voluntarily the right to strike," she said. "It would be a different thing entirely if any government tried to withdraw the rights from us which were available to other workers."

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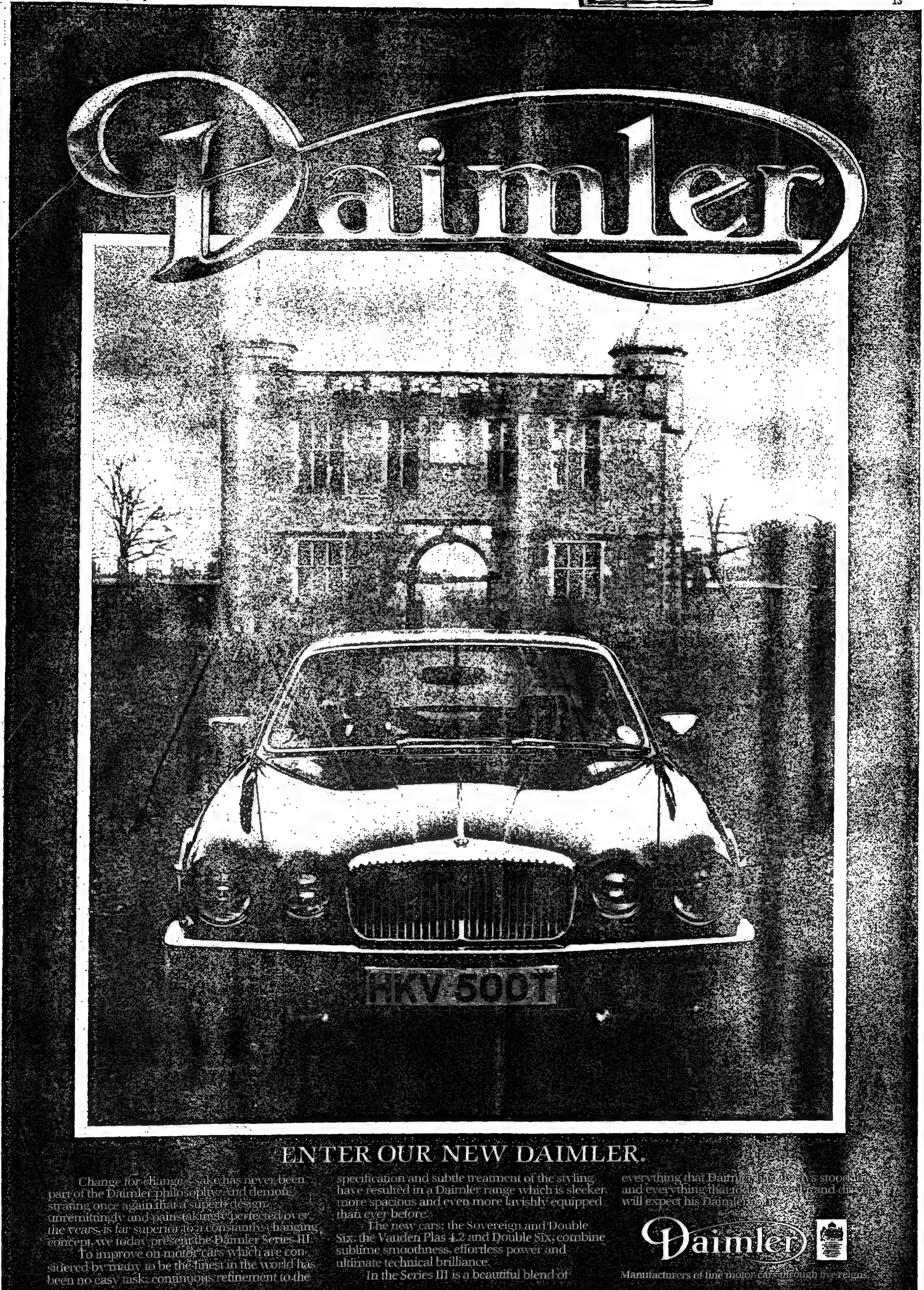


Callaghan wheels out family platitudes—and rejects nepotism charge

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE stage might have been set for a TV commercial at the Labour Party's daily Press conference in London yesterday. The Prime Minister introduced us to two typical housewives who were Labour candidates.

Both were young, extremely attractive and very well turned out—not the careworn type that you would see trudging across a council estate.

Cliches

Mrs. Patricia Hollis (right), candidate for Yarmouth, is a university lecturer educated at Cambridge, Oxford and Columbia and Berkeley in the U.S., an M.A. and a D.Phil.

Mrs. Anne Davis, who is contesting Bromsgrove and Redditch, is a former teacher and holds a B.A. (Hons) from Universityy College, London.

The theme of the Press conference, Mr. Callaghan grandly announced, was The Family. From that point on, the platitudes thudded down on the captive audience.

"I have always emphasised the significance of the family in society," Mr. Callaghan observed. "The family is the cornerstone of our society. A happy family—and I speak from personal experience—is one of the greatest sources of happiness you can have."

But unnoticed by Mr. Callaghan, one of his most bitter critics, Paul Johnson, *was lurking in the hall.* A former leftwinger, he now stands on the far right and is the self-appointed scourge of the Prime Minister.

Deftly, he put the knife in with the first question. Innocently, he inquired whether it was Mr. Callaghan's concern with family life that had led him to appoint his son-in-law, Mr. Peter Jay, as ambassador to Washington.

In the silence that followed, you could have heard a cliche drop.

To be fair, Mr. Callaghan did not bat an eyelid. "I am very glad you left the Labour Party," he said drily.

"Yes, but can you answer the question?" insisted his inquisitor.

Dirty question

Patiently, Mr. Callaghan explained that when Dr. David Owen, the Foreign Secretary, had first suggested the appointment he had told him that he would prefer that it was not made. Eventually, when Dr. Owen insisted, he had agreed not to veto it.

With calm anger, the Prime Minister told Mr. Johnson: "I am sure your sense of fairness will enable you to accept that explanation. Have you any more dirty questions that you want to ask?"

Snorted Mr. Johnson: "I don't regard it as a dirty question — it's a perfectly proper question."

At least this lively exchange was more entertaining than the other fare on offer.

Mrs. Davis confided that she had a daughter of 15 who takes a size eight in shoes. It cost £15 to buy her a new pair.

Steel band

Mrs. Hollis expounded the original theory that women needed good bus services, well paved roads and adequate street lighting as they were the ones who did most walking.

Pouring out into Smith Square, journalists were then greeted with a curious spectacle outside Tory Central Office. There, Mr. William Whitelaw (left), deputy leader of the Conservative Party, was disporting himself with a West Indian steel band who are touring London on behalf of the Tories.

Enthusiastic cameramen urged him to pick up the sticks and have a go at the bongos. But Mr. Whitelaw sensibly decided that enough was enough. Announcing that he had to dash off to catch a train he disappeared up the road.

Labour is right, Murray tells Tories

By Christian Tyler, Labour Editor

MR. LEN MURRAY, TUC general secretary, entered the election fray for the first time yesterday to suggest that if there was confrontation between unions and a future Conservative government, it would be the fault of the Conservative leadership.

Mr. Murray has been little in evidence so far, apparently observing the TUC's political neutrality. However, he called on the Conservatives to "cool it," declaring that Labour's solution was the right one.

"The extreme language of many leading Conservatives leads to apprehension of extremist and divisive policies," he told the annual conference of the National Union of Tailors and Garment Workers in Scarborough.

The Tories had been two-faced towards the unions. Mr. James Prior, employment *spokesman, had made "soothing* noises about wanting to co-operate." Meanwhile, Mrs. Thatcher had launched "a series of unfair, inaccurate and irrelevant attacks."

Active trade unionists had been bracketed with muggers and described as wreckers. At the same time, Conservatives planned to reverse the Employment Protection Act and remove protection that was "commonplace in many other countries."

"The removal of present legal protection could indeed cause strikes as workers took industrial action that recent legislation has made unnecessary."

Mr. Murray accused the Conservatives of wishing to increase inflation by raising indirect taxes and to "flout the law" that kept old-age pensions in line with wage increases.

Mrs. Thatcher was also accused yesterday of inciting the non-union public against unions. Mr. Albert Booth, Employment Secretary, challenged the Tories to say how they proposed to deal with picketing, and said that their policies would increase racial tension by increasing unemployment.

Mr. Prior defended the Conservatives' union programme as "a reasonable, sensible, series of measures."

Pauline Clark writes: A wave of trade union protest and action "even greater than that which occurred against the Industrial Relations Bill" would greet any attempt by a future Conservative government to sabotage or repeal the law protecting pensions from inflation, Mr. Norman Willis, deputy general secretary of the TUC, warned Tory leaders.

Callaghan stresses food price savings

BY IVOR OWEN

MR. CALLAGHAN took his campaign on prices into the supermarkets when he resumed his tour of marginal constituencies in the North-west yesterday.

He buttonholed Mrs. Jeanette Simpson as she approached a bread counter in the Middleton shopping centre to give her the news that the Price Commission had frozen bread prices.

The Prime Minister explained that but for Labour's "prices watchdog"—which the Conservatives wanted to destroy—a large loaf would have soon been costing 2p more and a small loaf 1p more.

Mrs. Simpson, who buys ten large loaves a week, seemed suitably impressed.

But even in supermarkets the Prime Minister still lacks Mrs. Thatcher's flair for publicity.

This time, for instance, he had no money with him. When he confessed his dilemma one trader presented him with an apple—a French Golden Delicious.

At Middleton, the Prime Minister was greeted by Mr. James Callaghan—the Labour backbencher of the same name who is seeking re-election as MP for the constituency.

The Prime Minister's schedule was discreetly speeded up to avoid another coincidence—a meeting with Mr. Edward Heath who also spent the day campaigning in the area.

A clash was avoided, but their paths came so near to crossing that it could be rated as a near miss.

Mr. Callaghan was mildly heckled in Bury over unemployment. His retort that things would be much worse with a Conservative Government in power satisfied the faithful if nobody else.

At Rawtenstall, Mr. Callaghan silenced some Young Conservatives who baited him on unemployment by insisting that the policies of Sir Keith Joseph would quickly undo everything the Government had done to protect jobs in textiles, footwear and other local industries.

In a speech in Manchester, the Prime Minister highlighted the priority which Labour policy gives to measures designed to help the family.

Apart from keeping prices stable, pensioners had been promised a big increase in November — up to £35 for a married couple — and more money would be made available for nursery schools to help working mothers.

● The latest figures for the number of days lost and the number of people laid off as the result of strikes were described by the Prime Minister yesterday as "appalling." But he saw this as confirmation of the need for voluntary agreement with the unions rather than the legislation proposed by the Conservatives.

The statistics show a big rise in the number of days lost in the first three months of this year, compared with the similar period last year. This reflects the widespread industrial strife of the winter.

"No doubt Maggie will reply with a promise to freeze the price of cake."

Question of sex appeal

By Christian Tyler, Labour Editor

WOMEN shop stewards entered the election campaign yesterday to douse Conservative hopes that Mrs. Thatcher's sex was a vote-winning asset.

While Mr. Callaghan was promoting his female Labour candidates at Transport House, the Trades Union Committee for a Labour Victory presented some genuine women workers to counteract the impression that working-class wives wanted Mrs. Thatcher to be Britain's first female Prime Minister.

Mrs. Margaret Duggan, a shop steward from Schweppes for the TGWU white-collar section, said her colleagues, whether union or non-union, found little comfort in the Conservative manifesto.

They found it strange, she said, that the Leader of the Opposition had talked so little of women's employment.

"They seem to think that because a woman is married and had a family she had become a cabbage."

Ms. Jenny Hill, of the Association of Scientific, Technical and Managerial Staffs, said that Labour had gone some way towards emancipating Britain's 9m women workers.

Mrs. Marie Patterson of the TGWU, who sits on the TUC general council, said that the urge to vote a woman into Downing St. should be re-examined in the light of this woman's politics.

"Basically she is a politician, a Tory politician, and a very right-wing Tory politician at that."

Heath outlines union responsibilities

MR. EDWARD HEATH, the former Conservative Prime Minister, last night gave strong *backing to the Tory plans for* legislation on the trade unions.

Speaking in Manchester, he said it would be entirely unacceptable for the trade unions to say that Parliament should introduce only legislation which they agreed with.

"Such an attitude would be a denial of our Parliamentary democracy," he warned. "It would betoken the arrival of a single party state and this election campaign would be pointless."

The Government, he said, had a responsibility to work with the unions as it did with any other group in society.

"Similarly, the trade unions for their part also have a responsibility to work with the Government of the day, regardless of its political colour."

It was fatuous for Mr. Callaghan and his colleagues to say that the law can never be introduced into industrial relations.

If the TUC found that its voluntary concordat with the Government was not observed then it could have no objection if, after full discussion, its provisions were embodied in trade union law.

Mr. Heath asked why, if the concordat will succeed, Mr. Callaghan had not reached a similar agreement to prevent the troubles of last winter.

The Prime Minister stood condemned for his own negligence and incompetence.

With the best will in the world, there would still be industrial problems for the next Government, as there had been for all Governments.

But, he suggested, we should bring greater harmony by starting out towards a more mature, effective approach to our problems.

John Elliot looks at the prospects for industrial democracy

Confusion over balance of power

THE current debate about trade union power that has built up during the general election campaign has overshadowed a long-running issue which will have to be tackled at some stage by the next Government.

This is what, if any, legislation there should be to give employees more influence over how their companies are run.

In Labour Party terms, the issue is called industrial democracy and involves changing the balance of power in industry by giving employees *statutory rights, through their* trade unions, either to boardroom seats or so some other way of negotiating on major company decisions.

The Conservative Party—in line with most employers—takes a more low key, and less political, approach to the issue. In its terms, the subject is called employee participation and involves companies communicating and consulting, more with their employees about company affairs, without any legal compulsion.

In the middle there is the Liberal Party, whose election manifesto is the most outspoken of the three main parties. It says that "the introduction of democracy in industry is the key to reversing Britain's economic decline." It wants to give employees equal statutory rights to shareholders, with both groups voting jointly in elections for boards of directors.

But the main debate of the past three years has been over the Labour Party's ideas, and especially over the Bullock Report's proposals for trade union representatives to have the same number of seats in a boardroom as the shareholders.

Published in early 1977, this TUC-supported document was followed last summer by a White Paper which attempted to defuse the bitter row that had built up over the union power aspects of the subject.

The White Paper suggested that there should be a statutory duty for all large companies to consult with their employees through a trade union-based "joint representation committee."

Later, there might be a worker-director scheme with employees, possibly through their unions, having a right to up to a third of the boardroom seats.

But attempts to prepare a Bill along these lines have foundered in recent months, even though a fresh initiative was launched by Mr. John Smith after he took over last November from Mr. Edmund Dell as Secretary for Trade and so became the Cabinet Minister responsible for company law.

Most Ministers have shied away from committing themselves to basing the system solely on trade unions and their worries over this issue, known as the "single channel," grew when the recent hospital and lorry drivers' strikes made union power an increasingly contentious point. Interest among trade union leaders in the subject has also declined since the retirement of Mr. Jack Jones from the Transport and General Workers Union, and there is massive opposition from businessmen. There are also major unsolved problems about matters like how to deal with multi-national and other large groups of companies.

Because of all this, and particularly because of the single channel problem, Mr. Callaghan and his colleagues have opted for a low-key approach in their manifesto.

They say they would introduce a legal obligation on companies with more than 500 employees "to discuss company plans with employees" through a joint trade union committee.

They also say they would create an Industrial Democracy Commission to encourage reforms: but they do not mention worker directors.

Waugh election address banned

MR. JEREMY THORPE, the former Liberal leader, was yesterday granted a temporary injunction banning an election address from oneof his opponents in North Devon—columnist Auberon Waugh, candidate for the Dog Lovers' Party.

Three Appeal Court judges reversed a High Court decision earlier in the day and agreed that Mr. Waugh's election address was likely to prejudice Mr. Thorpe's forthcoming Old Bailey trial on charges of conspiracy and incitement to murder.

In the High Court, Lord Widgery, Lord Chief Justice, had decided Mr. Thorpe had not shown there was any "real risk" of prejudice to the minds of jurors.

However, Mr. Thorpe's counsel appealed immediately and Lord Denning, Master of the Rolls, said it was "as plain as plain can be" that Mr. Waugh's address would prejudice a fair trial—or there was a danger it would.

TRADE union leaders said yesterday that they were confident after taking legal advice that the spending of their joint campaign for re-electing Labour was within the law.

The Trades Unionist for a Labour Victory committee was replying to an allegation referred to the Director of Public Prosecutions that election spending rules were being broken.

THE NEXT Labour Government would consider ways to allow the Housing Corporation to build direct in areas where Conservative-controlled councils have allowed building programmes to fall.

Mr. Reg Freeson, Housing Minister, said he was considering whether to permit private money to be channelled into the Corporation to provide non-profitmaking housing. He might also establish the Corporation as an agency for registering landlords who bring their property up to "decent, modern standards."

CARDIFF South-east Liberal Association gave full backing to the decision of Mr. Christopher Bailey, the Liberal candidate, to stand down in a bid to topple Mr. Callaghan.

Mr. Alun Jones, the Tory candidate, and 90 Liberal supporters in the constituency have agreed to work flat out to overturn the Prime Minister's 10,000-plus majority.

ON THE STUMP

The hi-fi integrity campaign

By Rupert Cornwell

THE LADY in Barlborough newsagents-cum-Post Office had been warned. "Our Mr. Skinner coming? Well, I'd better get home quick, out of his way." She hadn't a chance.

Within five minutes, Dennis Skinner had arrived in the small village in his Bolsover constituency, set amid the collieries where so many of its inhabitants work.

Within five more minutes, a terrifying set of megaphones had been rigged up on top of his car, and Labour's most provocative MP was off.

Not for him the genteel civilities of "How's-your-Mum, dear" doorstep canvassing. His potential electors are treated to a full-scale Queen's Speech second reading phillipic—amplified by a loudspeaker system which could smash holes in 2 feet of reinforced concrete.

It is an apocalyptic spectacle to witness Mr. Skinner railing against the Common Market to a handful of people on a village square.

The mix is virtually the same as at Westminster, but tinged with a greater emphasis on local problems, as Mr. Skinner puts in a strong word for the Labour ticket for Bolsover Council, also to be elected on May 3.

There is that extraordinary combination of zealotry, bitterness, and honesty—an absolute refusal to compromise, coupled with an astute political nous.

The only difference is that campaigning in Derbyshire, Mr. Skinner devotes rather less of his time to scorning the revisionist instincts of Labour in government: "I'm pleased to see that Jim Callaghan is moving to my point of view on the EEC."

Butter mountains and dairy surpluses are skilfully linked to matters close to hand. "Does the Common Market help by buying an extra ton of British coal? It's just a gravy train. That Roy Jenkins, he's doing very nicely on £60,000 a year. No wonder the Tories called themselves the party of Europe.

"And then That Woman has the cheek to talk about wasteful public spending. If we're talking about waste, let's start with that £800m we pay the EEC every year."

Skinner himself may briskly dismiss Parliament as a bore, "where many people just arrive on conveyor belts." But they are the words of someone whose apparent scorn for the institution is matched only by his skill at exploiting its procedures.

Fishing policy toughened as Thatcher visits Scots ports

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MRS. MARGARET THATCHER hastily strengthened Conservative *fishing policy yesterday in* an attempt to win vital fishermen's votes in key coastal marginal seats.

On a visit to North-east Scotland, she met fishermen's leaders and issued a statement *that went some of the way* towards their demand for a more specific commitment on protecting British fishing interests than is the case in the Tory manifesto.

Her hand was forced by the public stance taken by a group of six Conservative candidates led by Mr. Iain Sproat, who is defending a 365-vote majority over Labour in Aberdeen South.

The candidates supported the establishment of a 12-mile exclusive fishing limit, a 50-mile preferential zone and a 45 per cent quota of the catch for British fishermen.

Fishermen's organisations have told Conservative candidates in Scotland that they would advise their members to vote Labour or Scottish National Party unless the Conservatives adopted a more aggressive policy.

That would have put Mr. Sproat's seat in jeopardy and *lessened* the chances of Conservatives' taking back key seats lost to the nationalists in 1974.

Mrs. Thatcher's statement stops short of saying how far limits should extend, but says that a Conservative government *would aim for an* "adequate" exclusive zone, a "considerable area" of preferential access and a "substantial" share of the catch for British fishermen.

It added: "Despite this Government's boasts, they did not renegotiate the fisheries' policy at all before recommending a Yes vote in the 1975 European referendum.

"This matter is now urgent because of the time limit of 1982 set down for reaching agreement. We should not be prepared to agree to terms which were disadvantageous to *our fishing industry*, whatever the time limit, and we shall make fishing top priority in our EEC negotiations."

Mrs. Thatcher added that EEC proposals so far were totally unacceptable. Our European partners had to accept that British waters contained more fish than those of the rest of the Community put together.

A Conservative Government would carry out a rigorous conservation policy and act alone if Britain could not get agreement.

Mrs. Thatcher yesterday

● **Richard Mooney adds:** Mr. John Silkin, the Labour Fisheries Minister, told a Grimsby audience that the Tories' fishing policy was one of appeasement.

"In 1972 (when Britain's EEC entry was being negotiated) the Tories did not negotiate on fishing—they surrendered," Mr. Silkin declared.

He said that the Tories had only been "niggling and nagging" about the fisheries question while he had been fighting in Brussels to undo the harm they did.

"Nowhere in the Conservative manifesto," he said, "have I found a single reference to any exclusive zone. No 12 miles. Not six miles. Not even three miles.

"And when we get beyond 12 miles there is no hint of what they would wish to do."

The Conservatiwes said that UK waters contained more fish than those of the rest of the Community put together, Mr. Silkin said. "In fact our waters contain not just more than the rest put together. They contain twice as much as the rest put together."

Tories aim to shield classrooms from cuts

By Paul Taylor

THE CONSERVATIVES have no detailed plans to cut spending on education but would review it to see if savings might be made. Mr. Mark Carlisle, Conservative education spokes*man, said yesterday.*

If savings had to be made it would not be at the expense of teaching in the classroom, Mr. Carlisle promised. He denied that the Tories would add 10p to the price of school meals, but *said the level of subsidies on* school meals would have to be examined.

The Conservatives took education as the theme for their Press conference in London yesterday, switching the campaign *away from prices and the* trade unions.

Mr. Carlisle said that parents are "rightly anxious" about education. They are concerned that their children would leave school without the skills to get a job and about "lack of discipline in too many classrooms."

*Mr. Carlisle repeated the Con*servative manifesto pledges of reforms to improve education. Minimum standards in the three Rs would be set and monitored by tests during a child's schooling. More emphasis would be placed on teaching literacy and numeracy and on discipline.

The Conservatives would introduce an assisted places scheme "to help less well off *parents with fees at certain* schools" and provide better opportunities for the most able children. The scheme would be based on encouraging the 120 direct grant schools, which went independent to avoid Labour's comprehensive schools plans, to provide State-aided places again.

Selection for those State-aided places would be based on school entrance examinations, *with* parents responsible for putting the child orward. The 11-plus examination would not *return.*

The question of parental contribution would be settled after *a child had been accepted.* Mr. William Whitelaw, Conservative deputy leader said that he expected the scheme to cost the up-dated equivalent of the £37m a year spent on the direct grant system when phased out three years ago. That might mean about £50m at current prices.

Swing 'favours Liberals'

BY JOHN LLOYD

MR. DAVID STEEL, Liberal leader, in an important speech *on the day on which* a poll showed a 10 per cent swing to the Conservatives in Liberal seats, has highlighted the main themes in the Liberal campaign.

At the same time, he rejected the findings of the poll conducted by Marplan and published in yesterday's Sun and said that he believed all 14 Liberal MPs would be re-elected.

"This is the best news we have had in hte campaign so far, that a Tory newspaper is prepared to devote so much space to an attack on us. Our findings suggest that the switch is to us, *and not away from us.*"

Later, in Bramhall, in the Hazel Grove constituency, Mr. *Steel described the Liberals as* "the party of true reform, real change," which might break the "deathly combination which has overseen Britain's accelerating post-war decline, turn and turn about."

The Liberals called for reform of government, to return power "to the real government of the people at national, regional, district and local level."

Reforms would include proportional representation, with increased powers for back*benchers, fixed dates for elec*tions, an elected second chamber and one-tier local government.

"Who opposes those reforms? The MPs who have come to regard their seats as private pro*perty, the pers whose only* qualification for power is their birth certificates, and the town hall mandarins whose glossy new palaces are so disastrously remote from the people."

The party sought reform of *industry, to give workers in*creased participation in running their workplaces. Works councils, which would influence policy, would be legally required, and profit-sharing applied throughout industry.

"There is no God-given power for capitalists or bureau*crats to dictate our ambitions,* or our performances, at work."

The tax system would be reformed, with the introduction of a Credits Income Tax scheme. That would replace personal allowances, social *security benefits and* National Insurance payments with cash credits.

"Taxes would be deducted and benefits paid in one easy process at the place of work. Supplementary benefit would be reserved, as it was always intended, for the unfortunate few whose income from all sources fell below the poverty line."

The party wanted reform of attitudes to conservation and *the* environment, so that resources would be husbanded. Liberals would place priority on conservation of land and energy. "We do care deeply about preserving what is left of our natural environment."

Payroll tax key to Pardoe plan

BY DAVID FREUD

THE LIBERALS would finance a large reduction in income tax *mainly by raising the present* payroll tax on employers, the party announced yesterday. It planned a radical reform of the tax system.

Mr. John Pardoe, Liberal Treasury spokesman and candidate for Cornwall North, told the party's Press conference that that was the best way of shifting the tax burden from individuals.

The Liberal measures assumed a constant Government revenue requirement.

"It is too easy to reform taxation by assuming a substantial reduction in the Government's need for revenue," he argued. "*This is a cruel deception and* inherent in the Conservative promises to finance cuts in income tax by cuts in public expenditure."

Over a three-year period, the Liberals would consolidate the 25 and 33 per cent tax bands at 20p in the pound. The higher rates would range from 25p to 50p in the pound, compared with the present 40p to 83p, and the 15p investment income surcharge would be abolished.

Over the period, the Liberals estimate that that would cost a total of £6.45bn in revenue foregone.

The bulk of the cost, some £4.5bn, would be recovered by raising the Employers' National Insurance Contribution from 13.5 per cent (including surcharge) to 21 per cent. The contributions would be renamed a payroll tax.

Such a tax would vary by region, to produce, according to Mr. Pardoe, "a key instrument in economic manpower planning."

A further £2.7bn would be raised by standardising VAT at 10 per cent, increasing excise duties, terminating stock relief for companies and increasing Petroleum Revenue Tax.

Pension rise 'will cost £2.7bn'

BY PAUL TAYLOR

LABOUR'S "Election bribe" *to raise* pension to *half* average earnings would cost an extra £2.7bn a year, Mr. Patrick Jenkin, Conservative social services spokesman, said yesterday.

To pay for it, Labour would have to add 3p in the pound to basic-rate income tax or increase employers' contributions by 2 per cent and employee contributions by 4.5 per cent.

Mr. Jenkin urged pensioners *to listen instead to the "sober,* responsible and clear promise" from the Tories to protect pensioner's living standards.

Continuing the attack on the other two main parties, the Con*servatives described the* Liberals as "the voyeurs of political life"

In Stratford-on-Avon Mr. Angus Maude, Conservative deputy chairman, again attacked *the Labour campaign.* Labour, he claimed, was "too ashamed" to fight on its record and "too cowardly" to fight on its programme for the future, and had thus resorted to "direct lies" about the Conservatives.

The Prime Minister was dubbed a "job killer" by Sir Keith Joseph, Conservative industry spokesman and head of policy research.

Granite City's one-man contest

BY ANTHONY MORETON

THERE ARE two constituencies and eight candidates in Aberdeen, but this election in the Granite City concerns only one man: Mr. Iain Sproat.

It has been put about by some of the political Whips in Westminster that Mr. Sproat stands on issues somewhere to the right of *Genghis Khan.* True or false, it seems not to worry many people in this Con*servative city, where he is well* liked.

In spite of any personal pull, though, he is fighting a desperate campaign to remain MP for Aberdeen, South, which he has represented for nine years.

Last time, he held on by 365 votes, having seen his majority whittled down from 3,558, and he probably owed his victory to a strong surge in the Scottish *National* Party vote, which attracted many disaffected Labour supporters.

Mr. Sproat denies that his views are as extreme as his opponents and some of his political ellies make out. Certainly he is a populist, but he denies being a Poujadist.

Furthermore, he stands by what he says; not for him refuge in claims to being "misrepresented." He proclaims that the *electorate is fed up* with "fancy theories." The view that the "social worker is better than a mother" is anathema to him.

He stands, too, by all those statements about social security scroungers, urging that system needs radical reform. "Too many people get too much—and too many of the right people get too little." He wants to "help the needy, not the greedy."

Since 1974 the electorate has seen a net drop of 2,561. That conceals the departures from the constituency of 16,000 people in the past two years, probably more than 20,000 during the last Parliament and their partial replacement.

Some of the replacements are clearly Labour voters.

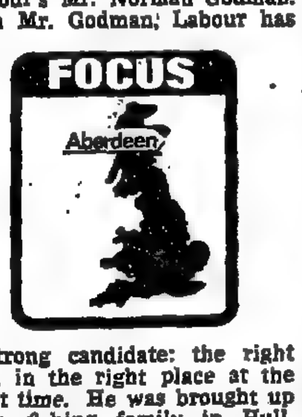
Moreover, the SNP vote has almost certainly peaked. The *verve, buoyancy and vitality* that characterised the SNP in 1974 have disappeared. The SNP is fighting a defensive battle.

Roger Taylor

Mr. Iain Sproat at Albert Basin, Aberdeen

Labour should benefit from that. All parties agree that the *SNP surge between February* and October 1974 was largely at the expense of Labour, and to a large extent by the fishing community. The tough stand of Mr. John Silkin, Agricultural Minister, over EEC fishing policy will certainly help Labour's Mr. Norman Godman.

In Mr. Godman, Labour has a strong candidate: the right man in the right place at the *right time.* He was brought up in a fishing family in Hull, worked as a shipwright, went as an adult student to university and lectures in industrial relations at Edinburgh.



He was chosen in January, when the previous candidate resigned. His knowledge of an industry that accounts for about *one in six jobs in Aberdeen* is inestimable.

Events in Aberdeen, North, arem uch more settled and less interesting. Mr. Robert Hughes, the Left-wing former MP, is cushioned in that two out of every three people live in council houses and flats.

Any fear that the SNP candidate might improve on the respectable vote that consolidated her party in second place *last time* is mitigated by the fact that Miss Maureen Watt turned up for a public meeting this week and found herself the only person in the hall. Mr. Hughes has a ticket to ride to Westminster on May 3.

Indications are that he will be accompanied by Mr. Godman. But if Mr. Sproat is defeated, Parliament will be a less colourful place.

ABERDEEN NORTH

1979 candidates: G. C. Adams (C); R. Hughes (Lab); Miss L. J. Macmillan (L); Miss M. E. Watt (SNP).

October 1974 result: R. Hughes (Lab), 23,130; J. A. McGugan (SNP), 13,509; P. Fraser (C), 5,125; F. McCallum (L), 3,700. Majority 9,621.

ABERDEEN SOUTH

1979 candidates: N. A. Godman (Lab); Mrs. H. M. Pitt-Watson (L); I. M. Sproat (C); A. *Stronach (SNP).*

October 1974 election: I. M. Sproat (C), 18,475; R. Middleton, (Lab), 18,110; A. Stronach (SNP), 10,481; A. A. Robbie (L), 5,018. Majority 365.

TOMORROW: Croydon.

Assurance on public meetings

By John Lloyd

MR. MERLYN REES, Home Secretary, told representatives of the Police Federation yesterday that public demonstrations and meetings should be dealt with by Parliament after the elections.

Mr. James Jardine, the federation's chairman, and Mr. Joe Martucci, *secretary, pressed for* an examination of the Public Order Act so that police officers were authorised to prohibit marches that might threaten public safety.

They asked for a review of the Representation of the People Act especially the obligations placed on local authorities and other public bodies to allow political meetings on their premises.

the young.

The National Front's sole five-minute television broadcast was relatively uncontroversial, with the party's policy on repatriation mentioned only briefly. Themes emphasised were patriotism, the rebuilding of British industry and attention to the needs of the old and

The party earlier announced that it had cancelled an election meeting in Ipswich, planned for *Sunday, because "we do not* want to do anything which could create a situation where policemen could be injured."

Three more big Front meetings are planning before the election: in West Bromwich on Saturday; West Yorkshire on Monday; and on Tuesday in Caxton Hall, Westminster.

Two anti-National Front demonstrations are planned for the weekend: in Southall on Saturday *and in Hoxton, east* London, on Sunday.

Oppenheim hits at Price Commission

By David Churchill

MRS. SALLY OPPENHEIM, Conservative spokesman on prices and consumer protection, yesterday attacked the failure of the Price Commission to keep prices down.

The commission, she said, had *probably only limited price in*creases by a tenth of a penny in every pound. That was hardly sufficient to justify the harmful effects the commission on industry, such as deterring investment.

Mrs. Oppenheim was speaking on the Thames Television Money Go Round programme yesterday. *Mr. Roy Hattersley,* Prices Secretary, also questionned on the programme, said that the Price Commission would be strengthened under a new Labour Government.

Attitudes remain firm in Ulster

BY OUR BELFAST CORRESPONDENT

A SURVEY of opinions on *constitutional solutions* in Ulster, published yesterday, demonstrates the difficulties for the next Government in prodding local politicians into agreement.

The poll, for Queens University, Belfast, by Irish Marketing Surveys, showed that power-sharing between Roman Catholics and Protestants in *government* was the most favoured solution, although only 36.5 per cent of those questioned supported it.

Majority rule government received nearly 26 per cent *support.* Direct rule, as at present, was supported by almost 14 per cent.

The survey confirmed traditional attitudes. More than 82 per cent of Roman Catholics agreed that a united Ireland was worthwhile if achieved peacefully, and 71 per cent of Protestants disagreed.

The university is to prepare comparisons with a similar survey ten years ago.

Mason in his rock-solid town

BY JOHN LLOYD

ROCK-SOLID Labour: the *cliché might* have been coined in and for Barnsley. The rock-like qualities are manifested by a complete absence of obvious politics.

Eight days to go, and not a poster, not a sticker to be seen.

"*Are there Tories in* Barnsley?" asked a policeman in answer to an inquiry for directions. The third colleague he asked knew where the Conservative Club was.

The club shared its building with the Tupperware *company,* into whose office I blundered, demanding sight of a Tory. *Three ladies at desks looked* aghast: "Do we look like Tories?" they shrieked.

Downstairs, in the club, Mr. George England, the candidate, was expected, maybe, later. "He only comes at election time," said a gloomy functionary who looked even less like a Tory than the Tupperware girls upstairs.

Mr. Roy Mason, Northern Ireland Secretary and Labour candidate, *was* in town. From his sturdy Victorian house, floodlit at night, radar-screened, bomb-proofed, panic-buttoned, *surrounded* by uniformed police and tall, quiet men in anoraks, he is hurtled the few hundred yards to the Labour committee room in a bullet-proof Rover, flanked by Special Branch cars.

Inside, as the two-way radios *cackle and burp* in the hallway, his mind continues to run on Northern Ireland, his conversation — clipped, detailed, precise — turns naturally from Barnsley to Belfast. His margins are death tolls (down) and inward investments in the province (up to £1bn) rather than his lead over his Conservative rival (more than *24,000* in October, 1974).

He gets back from Stormont Castle to his Barnsley fortress nearly every weekend and holds his surgery in the Town Hall every fortnight.

In October 1974, when he was Defence Secretary, he did "whistle stops"—eight or nine open-air meetings a day — and is continuing the practice this time. "It's for security, this time. If you don't book halls, they don't *know where to find* you."

One of his five opponents is Mr. Brendan Gallagher, standing on a Troops Out ticket with the backing of Socialist Unity. Mr. Mason finds him a little absurd.

"His son is a convicted terrorist, serving 12 years in the *Maze* Prison for bombing *the* Strabane Legion Hall. He himself got a two-year suspended *sentence for harbouring him.* He's got a nerve, standing here."

Mr. Mason concedes that Ireland is an issue in this election, but says that after two and a-half years of his secretaryship "the heat had been taken out of it."

Surprisingly, Mr. Mason reckons that Mr. "Tip" O'Neill's remarks last week have helped to dampen things down again.

"He was badly advised on what he said. But he united every political party in this country except the SDLP against him. *It* was a real boost for bipartisanship."

Mr. Mason straightens his *suit,* briskly settles affairs with his good-humoured agent, then runs down the steps of the committee rooms to the waiting Rover. The fan of guards closes behind him and they and he shoot off into the indifferent, solid town.

THE PROPERTY MARKET

BY MICHAEL CASSELL

Councils delay hotel development

DEMAND FOR top London hotel sites has rarely been higher, yet development in central London is being frustrated by a serious shortage of good locations and by local authority attitudes.

Last year luxury hotels in the capital were achieving average annual occupancy rates approaching 90 per cent and with a serious hotel bed shortage forecast in the 1980s a new building programme appears essential.

But two London councils — Westminster and Kensington and Chelsea—which take in an estimated 60 per cent of London's hotels—are proposing to put up shutters on any new hotel developments in their areas. The threat has, unfortunately, emerged at a time when some institutions are showing renewed interest in investing in prime hotel properties in central London.

Mr. Melvyn Greene of hotel consultants, Greene Belfield Smith, said: "I know of at least two major pension funds now wanting to buy prime hotels in central London—with the aim of arranging leaseback deals."

The financial institutions have traditionally been suspicious of the hotel industry since the mid 1970s when a number of hotel groups, particularly those with London operations, came under serious financial pressure.

Their difficulties were due to several factors. In the early part of the decade new hotel development, often financed by high-cost borrowing, had reached a peak, stimulated by Labour Government grants of up to £1,000 a room. Then, almost overnight, the tourist trade fell sharply as overseas visitors were presented with a picture of Britain suffering at the hands of IRA bombers and beset by strikes and a three-day-week.

However, the climate has changed substantially since early 1976. Foreign visitors, encouraged partly by favourable exchange rates, have returned in record numbers and UK hotel pre-tax profits, according to Mr. Greene, rose by an average 30 per cent last year.

Attitude

And there is no sign yet of any significant slackening of demand for hotel accommodation—in spite of the improvement in sterling. As a result some forecasts suggest that London will need 4,000 more hotel bedrooms by the end of the year—compared with a surplus of 2,000 rooms in 1976.

All this suggests that there are grounds for a change of attitude towards the industry by the institutions. The English Tourist Board is particularly concerned to improve the industry's image with institutions previously reluctant to provide long-term finance for hotel developments.

However, any change of heart is likely to be restricted to investment in luxury class hotels in prime locations and most likely on a purchase and leaseback basis.

It would appear to be a logical move for pension funds to pursue top quality hotel properties at a time when prime retail and office investment opportunities are scarce, though their enthusiasm is bound to be tempered with caution, given the industry's track record.

First class hotel property is, if anything, in even shorter supply than prime shops and offices and the hotel industry itself shows little interest in anything more than a stone's throw away from the main tourist attractions.

This attitude has thrown potential hotel developers into conflict with local councils at Westminster and Kensington and Chelsea, which have formally indicated that they will grant very few, if any, planning permissions for new hotel developments. In addition, the Greater London Council is mounting a campaign to promote building of new hotels in outer areas, like Camden, Clapham, Hammersmith and Croydon.

Mr. Greene said: "It is cloud cuckoo land to suggest that there will be a Camden Hilton or a Carlton Tower at Clapham. Around half the visitors to London are foreign holidaymakers and another 26 per cent are foreign businessmen and there is nothing in any of our surveys to show that they want to stay anywhere but in central London."

But he said there were opportunities for some isolated hotel developments in office centres, like Croydon and Kingston.

But people like Mr. Richard Brew, deputy leader of the GLC, believes that once adequate infrastructure is established, then areas like docklands could present a viable proposition for hotels. A GLC Green Paper on tourism, he says, has been favourably received by some airlines and other bodies beyond the hotel groups themselves.

The hotel industry, however, will point to the recent difficulties at the Kings Reach hotel development on the South Bank of the Thames as an example of the problems location can bring.

Work on the 700-bedroom hotel stopped in 1975 and even though the development is close to the favoured central area it has only recently been resold.

The shortage of development sites in the best favoured areas has led to a sharp increase in hotel property prices. Mr. Jonathon Bodlender of hotel accountants and management consultants Horwath and Horwath said: "Two years ago the Dorchester Hotel was sold to Arabs in a deal worth around £30,000 a room. Today a hotel on a similar site and location would cost at least £50,000 a room to buy depending upon leasehold and freehold terms."

He says that prices for existing hotels are coming back more into line with building costs, which he estimates are running at between £40,000 and £45,000 a room for first class hotels, land excluded.

While building costs are not considered a major development constraint, a further problem is securing the right kind of finance. "Because of the past attitudes of the financial institutions they have been reluctant to lend for more than seven or eight years, which is particularly onerous for hotels, which do not come into profits as quickly as other types of development.

"Longer term finance should be available while an increase on tax allowances for new hotel building—bringing them into line with those granted to manufacturing industries — would farther stimulate investment."

Andrew Taylor

Walpole's home sold in £1m deal

● **Chesterfield Properties has bought 4 and 5 Arlington Street, Mayfair, for over £1m from Jamaica House Investments. The two properties—one of which was the home of Horace and Robert Walpole—will be redeveloped, leaving the Georgian facade largely intact. Collier and Madge acted for Chesterfield and Crane and Co. represented Jamaica House.**

● **Retailers with an eye on international expansion may be interested to know that 100,000 sq ft of floorspace is available on the busy road between Dubai and Sharjah in the United Arab Emirates. The Al Mulla Plaza includes a department store and a three-level shopping centre with a supermarket and 45 small shops. Inquiries: PO Box 59 Dubai.**

● **Yorkshire General Life Assurance has let one of the largest single warehouse units near Heathrow. A total of 100,000 sq ft has been leased to NMT (Trading) at an asking rental of £1.50 a sq ft. Joint sole letting agents: Grant and Partners and Donaldsons.**

● **Taylor Woodrow Industrial Estates has started work on a £2.5m warehouse development in partnership with Wakefield Metropolitan District Council at Whitwood, four miles from the town centre. First phase of the 250,000 sq ft scheme will command rents of £1.40 per sq ft.**

Land plan in jeopardy

THE LIKELY fate of the Community Land Scheme after the general election is a subject close to the hearts of the development industry.

The Conservatives pledged, even before the legislation reached the Statute Book in 1975, to repeal the Community Land Act, which is one part of the Government's two-pronged attack on development land, the other being Development Land Tax. The two items form the cornerstone of Labour's land policies.

The legislation was designed to enable local authorities to take a positive role in planning and new development and to give the community some of the benefit from rising land values.

The scheme's operation and effectiveness has, however, come under steady fire from contractors, developers and many local authorities ever since it took effect and its role became even more uncertain after the 1976 public expenditure cuts which effectively consigned it to the backwaters of local authority activity.

An appraisal of the scheme's first difficult years, commissioned by the Department of the Environment and carried out by the School for Advanced Urban Studies, suggests that since 1976, and the now infamous "GNLA 12" resource cuts, disillusion with the scheme has grown even among those local authorities which were originally its strongest supporters.

The report, which will not make happy reading within the DOE, says that most of the local authorities involved in its investigations felt the scheme had been "trivialised" or even "killed stone dead" since 1976.

The result was that, by the end of 1977, the policy appeared to have lost impetus and credibility. Authorities now believe that the scheme is not backed by any political will at a national level and that it is largely a non-event. The impression is that controls and procedures are out of all proportion to the level of financial activity actually under way.

Apart from shortages of finance required for acquisition, the authorities say they are hamstrung by regulations which effectively prevent them from buying much development land, including a large part of builders' existing land banks, and that there is no incentive for them to operate the scheme because of the minimal financial benefit involved.

What of the future? While the Conservatives are expected to repeal the CLA itself, their attitude towards the existing tax legislation is somewhat different and because the two parts of the land scheme are quite separate it is perfectly feasible for them to repeal one and keep the other.

DLT was enacted in 1976 and many people immediately saw it as a belated response to the heady days of the 1972-73 property market which was irrelevant to the new conditions. The tax imposes a charge of 80 per cent on the increase in the value of land arising from the granting of planning permission; over the next ten years or so that is scheduled to rise to 100 per cent. For an interim however, a reduced rate of 66⅔ per cent applies to the first £15,000 of gains realised in a year.

The Conservatives have given no pledge to repeal DLT and, indeed, their previous introduction of development gains tax might well be looked on as some sort of commitment to the concept that gains arising from the granting of planning permission should attract a higher tax than ordinary capital gains.

The tax may, therefore, have a substantially longer life than some of its predecessors in the development field, though the Conservatives have said they will reduce it to about 50 per cent. But it is not certain whether the permissive powers of acquisition or disposal of land for private development would disappear altogether.

The Labour Party is set to keep the scheme intact, though it says it will clarify and amend the regulations on land valuation in an attempt to ensure that more accurate present-day values are obtained. But the scheme seems unlikely to get priority when public resources come to be allocated and as a result it may well not regain its original prominence in the medium-term, unless there is a major upswing in development pressures and another price boom which would bring it back into its own.

● **Abbey Property Fund has purchased 1½ acres of land by the M20 at its junction with the M25. A new warehouse and distribution centre with an investment value approaching £1m is to be built. Agents for Abbey were Leonard Green.**

● **Elliott Son and Boston, the London-based chartered surveyors formed in 1845, officially merges with Elliott Fifield of Manchester and Elliott Jones Martin at the end of this month.**

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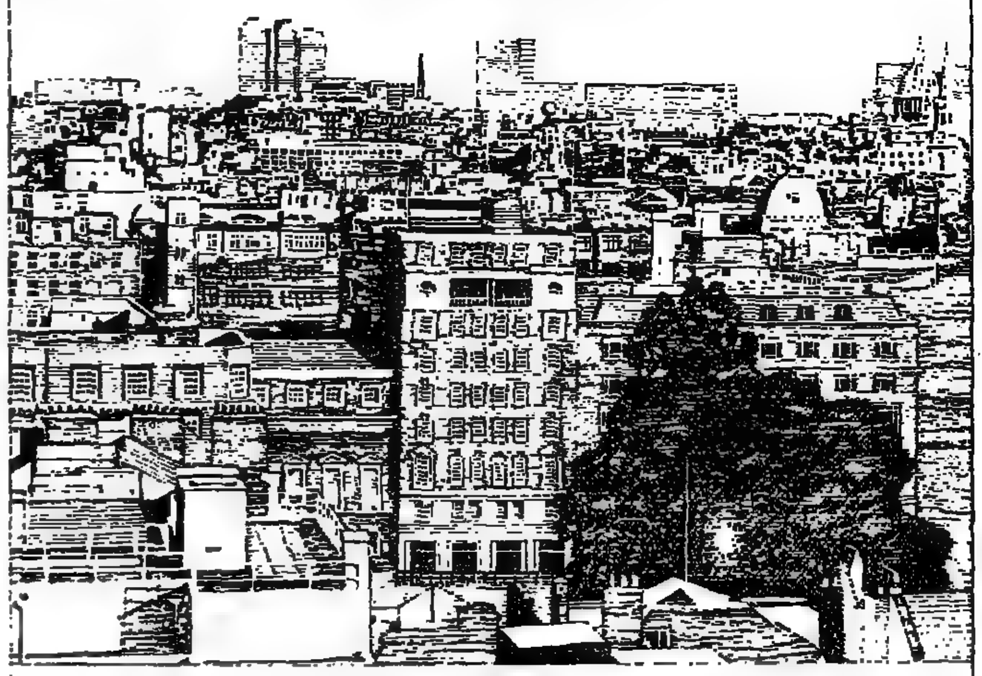

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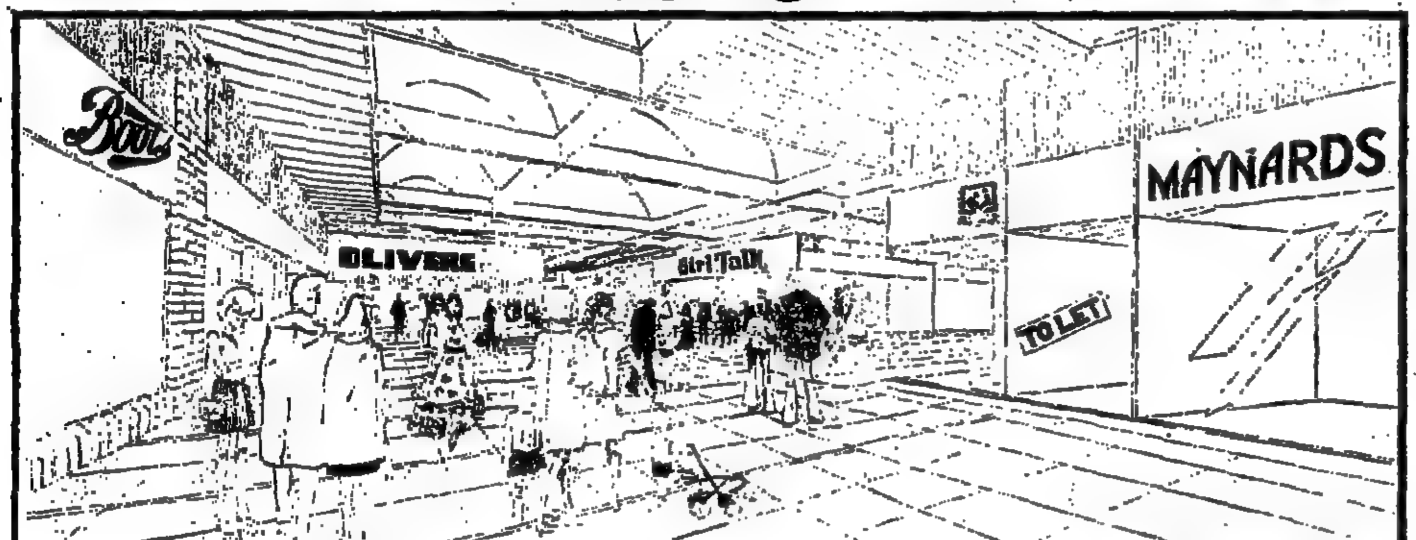

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The initial submission will be required in outline, but with basic layouts and elevations, and should also include the basis of construction and financing proposed.

The closing date for receipt of proposals is 31st July 1979. The new pier, which will need to be substantially larger than the existing, will be required for service in March 1982.

For further information regarding the design constraints, requirements, concessionary arrangements etc please contact The Controller of Planning and Transportation (PT/TN/PT), Room 731, Greater London Council, County Hall, London SE1 7PB. Tel: 01-633 8749/7542. Telex: 919443 (GLC CENMAIL LONDON).

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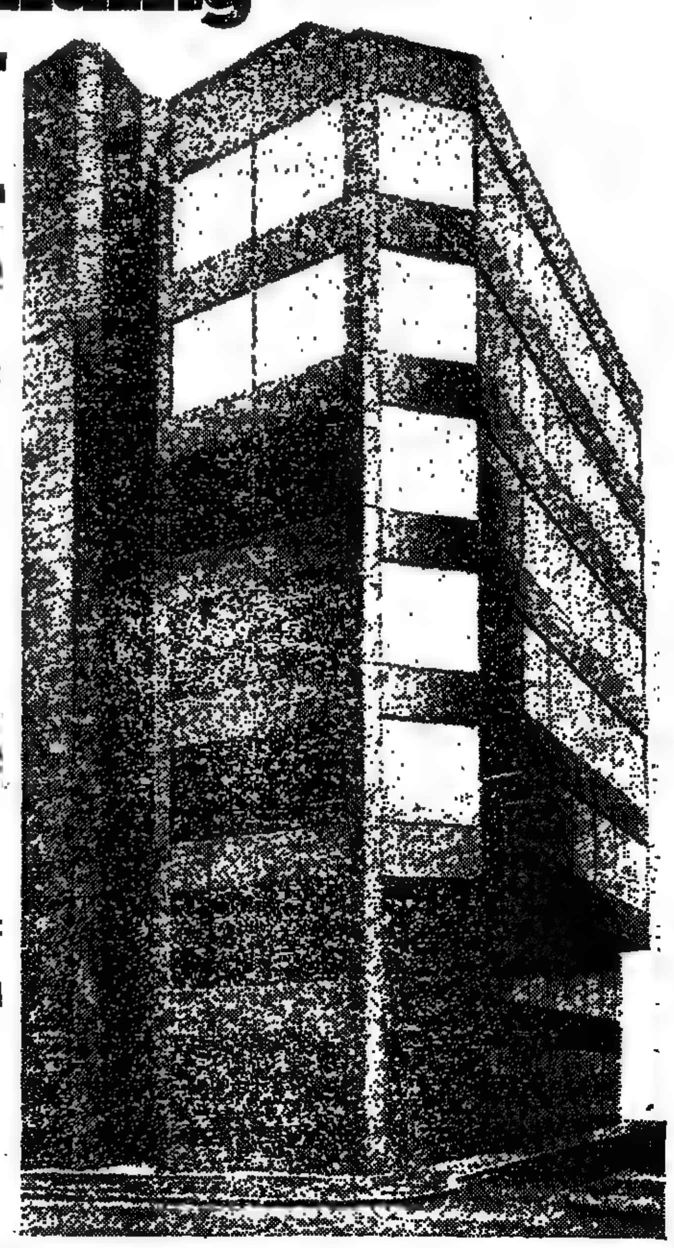

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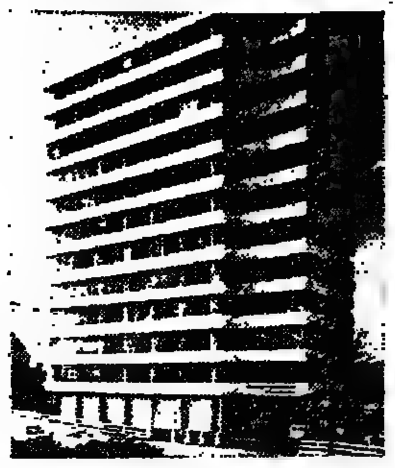

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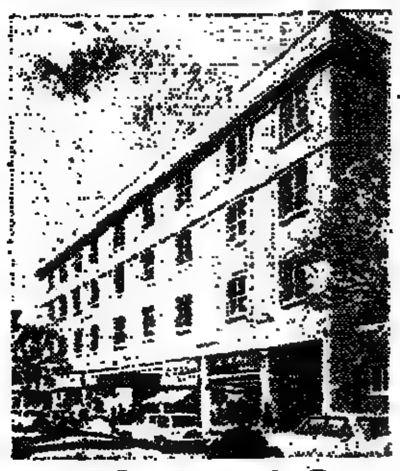

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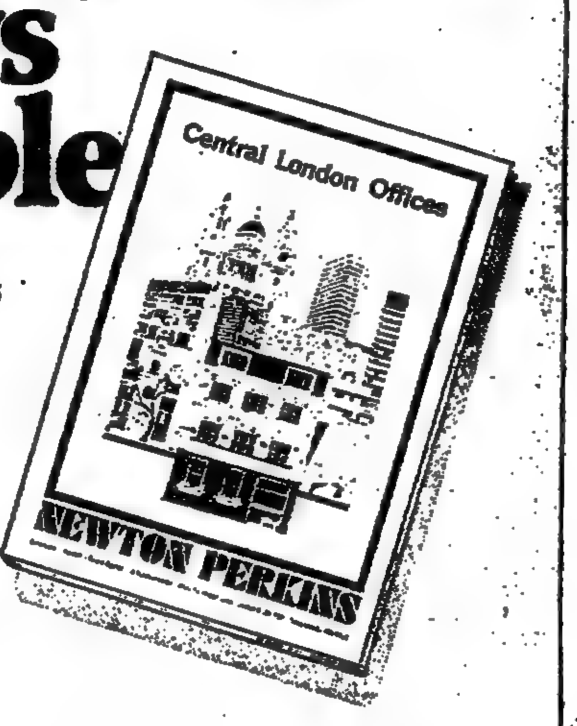

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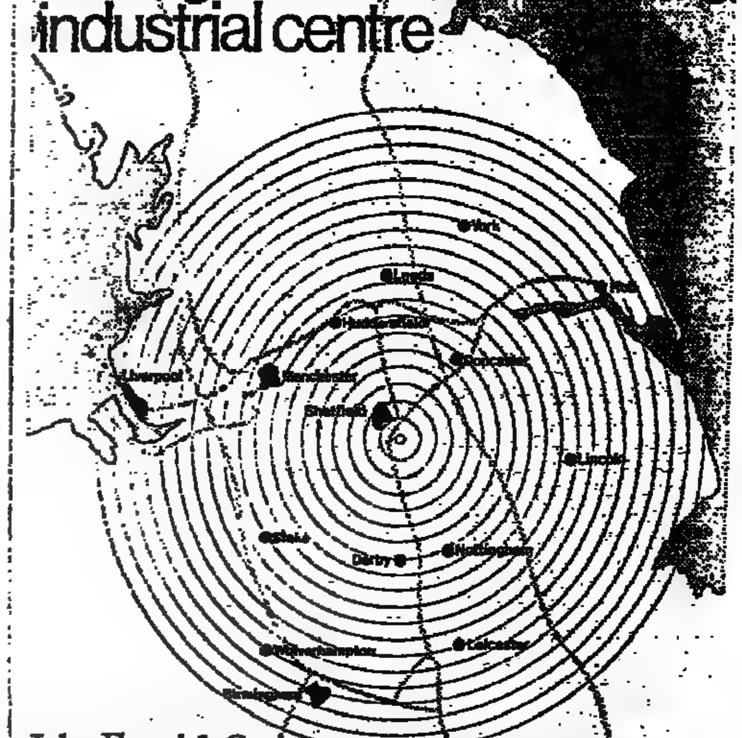

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A FINANCIAL TIMES SURVEY
INTERNATIONAL PROPERTY
WEDNESDAY MAY 30TH 1979

The Financial Times proposes to publish a Survey on International Property on Wednesday, May 30th, 1979. The main headings of the provisional editorial synopsis are set out below.

INTRODUCTION

Property investment away from home markets remains an activity tempered with a good degree of caution. Has the flow abroad of UK investment funds increased?

Too much money is apparently still chasing too few institutional-quality property investments. Have fund managers shown themselves any more prepared to accept "secondary quality" propositions? How much recent development has been in response to institutional buying pressure rather than projected demand from tenants? The bright spots on the international property map.

THE MARKETS

The remainder of the Survey will carry reviews of the property market in the following places:

EUROPE
The Netherlands
Belgium
France
West Germany
Italy
Ireland
Scandinavia
Eastern Europe
Spain

NORTH AMERICA
Canada
United States

SOUTH AMERICA
Brazil

AFRICA
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هكذا من الأصل

ENERGY REVIEW

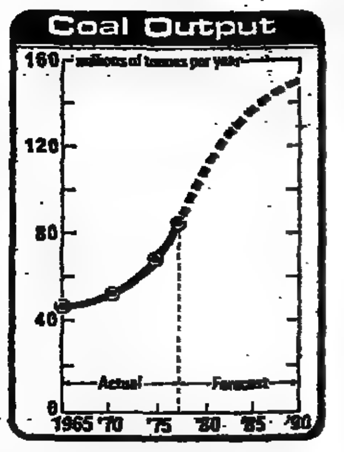
BY PAUL CHEESERIGHT

South Africa's growing reliance on coal

THE REFUSAL of the new Iranian Government to continue exporting oil to South Africa, cutting the country off from its staple source of supply, spotlights the role of the international oil majors in the South African coal industry.

The new coal mines, the greenfields developments as opposed to extensions of existing operations, are largely in the hands of the oil companies, which have been receiving additional coal export quotas apparently at the expense of the established domestic producers.

There is some annoyance in the local industry about this. But the disgruntled are also resigned, accepting that there is a connection between the increased allocations and the more general contribution of the oil companies in the energy field. The reasoning behind the allocations seems to be that the better the deal the oil majors receive for their diversified interests in South Africa, the more anxious they will be to ensure that oil keeps flowing in.



Export quota

Exports were pioneered by the Transvaal Coal Owners Association representing the producers at the biggest of the South African fields. The TCOA export quota for 1979 is 9.6m tonnes of a total of 20m tonnes to be exported. But of the total export allocation for phase three of the South African export plan, which will be at 44m tonnes in 1985, the 10m tonnes granted to TCOA is barely changed. The major change in the quotas is that the British Petroleum share rises from nil to 5.5m tonnes, the Shell share moves from 3m tonnes to 5.5m and the Total share rises from nil to 2.5m tonnes.

In a more general sense, however, the significant point about the allocations is the controlled speed with which exports are building up. Much has depended on the provision of facilities at the new Richards Bay Terminal, which, by the middle of this year will be able to handle 20m tonnes per annum.

Last year Richards Bay handled 13.5m tonnes of coal, just over its original design capacity. The expansion programme has been proceeding smoothly, and within budget, according to the coal exporters. The stimulus to its development was the growing market in Japan and Europe. South African costs enable the exporters to compete favourably with Australian and Polish exporters in these markets.

The trade is split roughly into two parts. The first is directed towards the steel industry and covers coking coal. The second is directed towards power stations and covers steaming coal—and it is this trade which has attracted the oil companies to South Africa and elsewhere.

By 1985 it is calculated that South Africa will be supplying up to 30 per cent of the international steam coal trade. And, Mr. Graham Boustred, the chairman of Anglo American Coal (Amcoal), has noted in the South African Press that Europe and Japan will not be the only markets.

There are also the Pacific Basic countries like Taiwan, Korea and Hong Kong. "We could also develop markets such as low sulphur coal into the U.S. Anthracite is a specialised commodity which we are exporting to Europe and to the East with Korea developing as a market," he said.

South African Minerals Bureau figures suggest that exports could rise to 55m tonnes by AD 2000. Certainly the importance of coal in South African external payments will increase. By the late 1980s it should provide about 23 per cent of total mineral revenue, compared with its present contribution of 17 per cent, which would be worth about R2.3bn at 1977 prices.

Mining industry executives have noted that there is some unease in South Africa about exports because, it is felt, limited resources are being run down when they should be preserved for future generations. It is a not unfamiliar argument.

The industry's case argued by Mr. R. E. Burnton, the divisional project manager at the General Mining coal division, in a paper presented last year, rests on five points.

The first is that export prices are several times higher than domestic prices and that the industry's viability would be in question without exports. Second, there is no prospect of any other export industry being able to earn so much foreign exchange to pay for imported capital goods. Third, being a reliable supplier of cheap energy strengthens South Africa's strategic position. Fourth, the industry provides job opportunities. And, finally, there is a point about the relationship of exports to domestic industrial growth.

Cheap energy

"The case for exports does not conflict with the fundamental proposition that the best means of exporting our cheap energy is to use it to beneficiate (upgrade) our range of other base minerals, thereby giving the maximum balance of payments benefit for the combined product. Our cheap energy, however, comes fundamentally from the large low-grade coalfields and not from the smaller high-grade fields," Mr. Burnton said.

This point goes to the heart of the role of coal in the South African economy. It was coal which fuelled the early development of the gold mines, making possible the growth of the Witwatersrand industrial complex. Indeed, no other major economy, with the exception of Poland, places so much reliance on coal. And coal's importance has been enhanced by the 1973-74 energy crisis and more recently by the Iranian revolution.

The higher price of energy has increased South African commercially viable coal reserves. Taking into account the technical developments of recent years, the industry's ability to extract more of the coal in situ has increased, so that the latest figure for recoverable reserves is now put at 61bn tonnes. Inevitably, it is an approximate total, but it seems likely that as more research is done into coal utilisation and as more efficient techniques are developed for existing uses, the lifetime of the reserves will be extended.

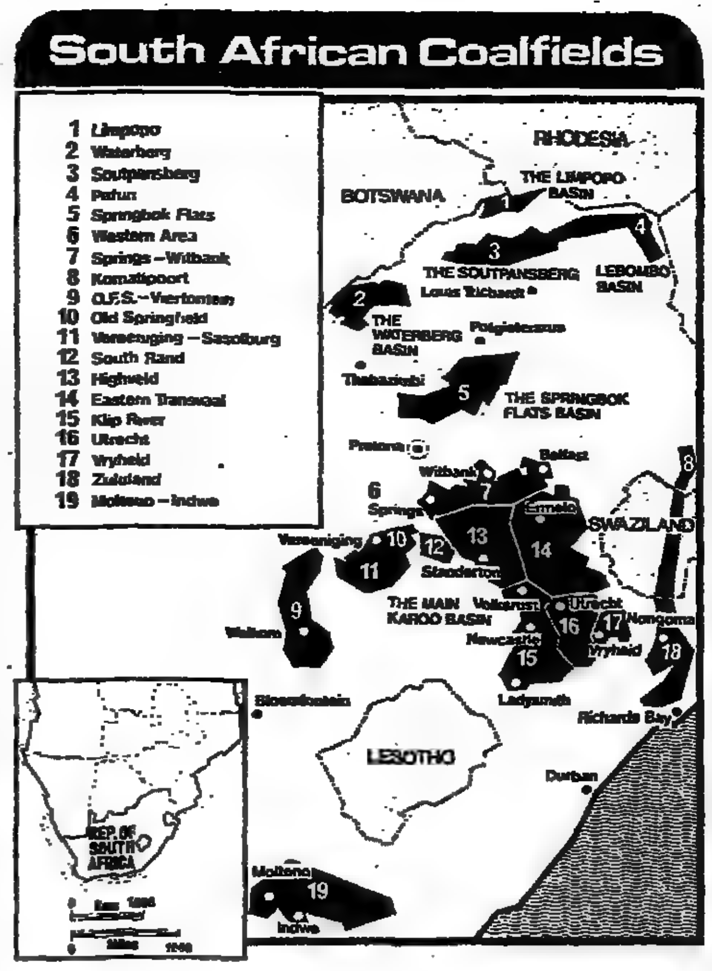
The Chamber of Mines notes that the quality of South African coal is generally low, nearly 90 per cent of it being of a raw bituminous variety with an ash content of between 20 and 46 per cent. Although there are reserves under exploitation in Orange Free State and Natal, the centre of the industry is Transvaal.

Within Transvaal, the fields around Witbank have produced more coal than all the others in South Africa put together, and even now account for 48 per cent of output. The five seams are near the surface and run consistently. For example, the thickness of the overburden (the distance from the top of the seam to the surface) at Kriel colliery, which engages in both strip and underground mining, varies from six to 85 meters. Further, the field has no gas problems.

Kriel, part of the Anglo American Coal (Amcoal) group, is typical of many of the South African collieries in the sense that it is linked to Escom, the state power utility. Escom's power stations are the largest single user of South African coal and are likely to remain so for the foreseeable future. In 1977 Escom absorbed 37.5m tonnes of a total national output of 85m tonnes.

Last year, Amcoal, the biggest South African coal operator, produced 17m tonnes for Escom, or 64 per cent of total group output. Kriel was financed with a mixture of group and Escom funds. Its returns from the Escom trade are based on a formula which has become widely spread among the newer arrangements Escom has been working out with the so-called tied collieries, the 14 operations which provide its feedstock.

Escom pays Kriel's working costs and a management fee of 8 cents (about 5p) a tonne. It pays a return of 18.75 per cent, pretax, on the capital invested and this figure is index-linked to the extent that it moves up each year by half the rate of increase of the wholesale price index. There are also provisions for the amortisation of capital. The total package means, according to Kriel executives, that returns on capital are now running at about 25 per cent. The colliery is still building up to full capacity, its output being linked to the coming on stream of capacity at the Kriel power station.



Black labour

In fact, South African costs are low. This year's working costs at Kriel, merging together both strip and underground output, are put at R4.15 (£2.34) a tonne, which is cheap by world standards, and due at least in part to cheap black labour. The Kriel underground mine cost R13.0 per annual tonne of production to develop, while the strip mine costs R17.0, largely owing to the cost of walking draglines which has tripled to R15m in three years.

There has also been a rise in colliery productivity in recent years. Output now is nearly double the 48.5m tonnes mined in 1965 when the industry employed 81,000 people. The labour force in 1976 was 83,000. Within the last 13 years mining has switched from mainly hand-got methods to mechanised systems. Had the old methods been maintained it is calculated that the labour force today would need to be about 145,000.

Increasing mechanisation has meant that the coal companies are no longer satisfied with a rapidly changing black workforce, most of whom are on short-term contracts. The traditional pattern of employment has been for a worker to leave the homelands, work in the mines for a short period and then return. It is the same on the gold mines, but on a bigger scale.

Handling machines demands more skill than wielding a pick and shovel, and consequently a greater expenditure on training. This in turn has led to a demand for more permanent housing for black employees and, the mining companies hope, the creation of a permanent labour force.

At present, the industry is growing fast. Last month Amcoal opened another colliery and there are at least six colliery projects expected to come on stream over the next 10 years from different groups. The number of committed projects should raise South African production to 150m tonnes by 1985.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING

Dies pushed through the billet

INDIRECT intrusion, at first glance, is a process that should not work. Everyone understands the principle of applying pressure to a heated metal billet and then squeezing it through a die. After all, this is what—in essence—sausage makers have been doing for several hundred years.

But to drive the die into the billet, rather than the other way round, does not seem to make sense until it is realised that the amount of power absorbed to make the final extrusion is much less through indirect working, that is through applying die to billet—in fact power saving is of the order of 40 per cent so that a 600-ton press can do the work of a 1,000-ton conventional unit.

Offering indirect process presses to companies in Britain and overseas is a new company called Indirect Press Techniques. It believes there is a ready market for rented presses, particularly in that group of companies which are buying in excess of 750 tonnes of extrusions (aluminium and associated alloys) per year.

The company is prepared to install "Inpress" extruders, which are able to produce, on average, some 70 feet of finished part from a single billet, and provide all the necessary services. Users would need no skilled staff other than the die technician; they would obtain far more accurate finished products, partly due to the fact that in the indirect process, pressures remain constant. Meanwhile, the time needed to replace billets is considerably reduced.

Problems associated earlier with this method of extruding aluminium, due to entrainment of surface oxides and subsequent poor anodising—where direct process approaches tend to leave the oxide skin in the press—have been overcome, the company reports.

Its back-up service to renters covers advice on production, supervision of production lines and staff training, technical and maintenance service throughout the contract, billet and die purchasing, die correction techniques and insurance and other financial arrangements.

The company is already negotiating a number of contracts with potential users who are attracted, among other things, by the fact that henceforth they will not need to hold stocks of extrusions—only billets.

Application areas include the production of sections for ladders, windows, greenhouses, in fact they cover something like 80 per cent of the market for extrusions, the limit being a circumscribed circle of 3 inches diameter.

More information from Indirect Press Techniques, 174 Honeypot Lane, Stanmore, Middlesex HA7 1EQ. 01-204 7343.

● PLASTICS

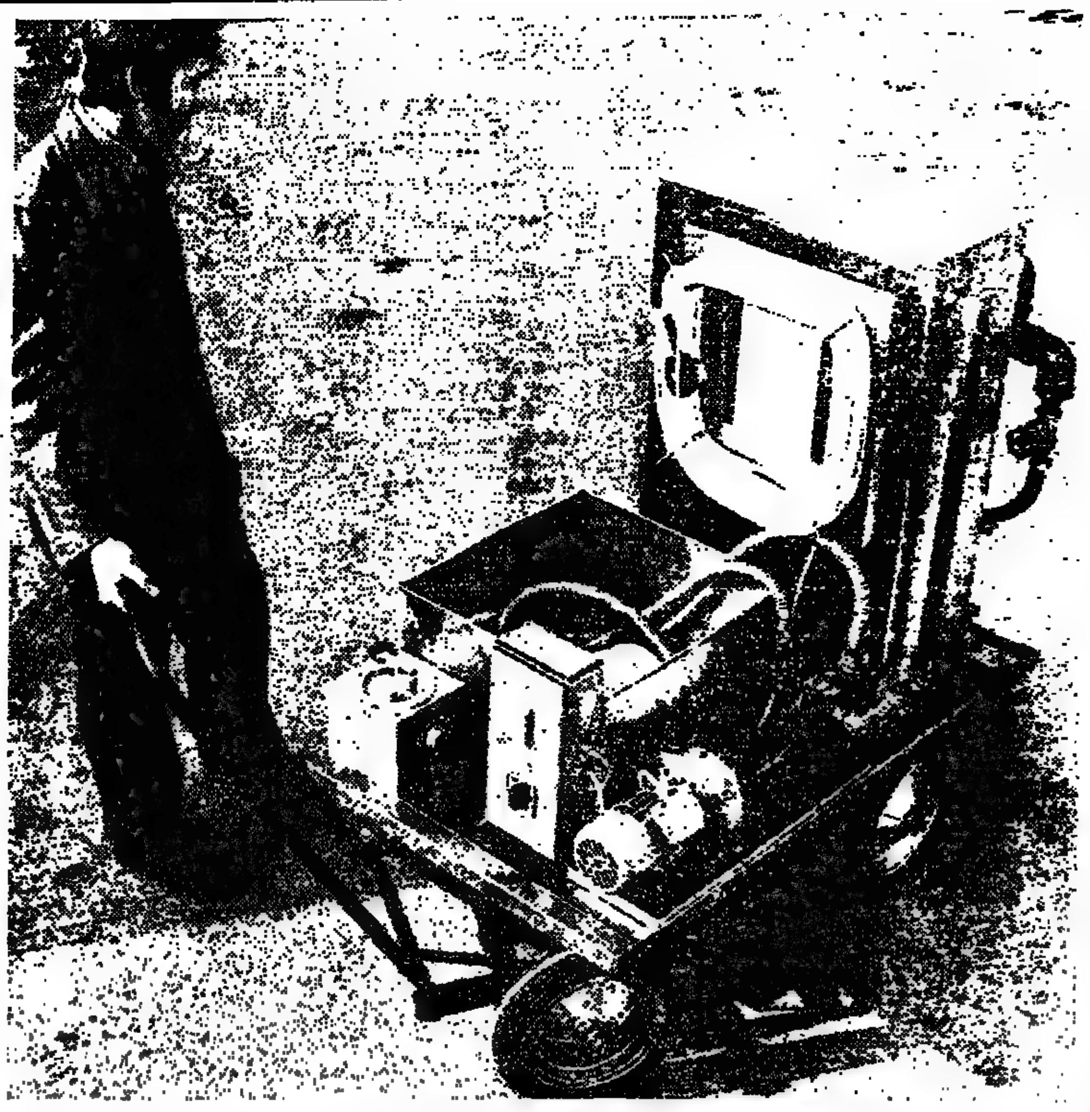
Window frame material

BRITISH Industrial Plastics (Turner and Newall) has concluded an arrangement with Chemische Werke Hüls AG of Marl, West Germany, for the manufacture of Beetle pvc compounds based on Vestolit HIS7587. This resin is used in the Vestolit Bau compound for the extrusion of window frame profiles.

The compound will be manufactured by the pvc division of BIP at its Aycliffe site and will be made to the same strict specifications and quality control used by Hüls. The compound is expected to have the same weathering and long-term ageing performance as the German-made materials.

BIP assessed the market potential for pvc window frames in the UK and found that a very strong position was held in European markets by Vestolit Bau compounds based upon graft copolymers. Expertise developed by Hüls over a number of years will be available in Britain via BIP. The UK market is expected to develop rapidly.

British Industrial Plastics, POB11, Tat Bank Road, Oldbury, Warley, West Midlands, B69 4NF. 021 552 1551.



This mobile equipment for removing surface and dispersed tramp oil from coolant of individual machine tools has been introduced by Zimmite (UK), 34 Westminster Palace Gardens, London SW1P 1RL (01-222 6733). The equipment can serve a number of machine tools with coolant sumps from 30 to 200 gal capacity. It will also remove oil from water used in small washing or quenching applications or skim surface oil from effluent ponds. The unit has a separator with a nominal 90 gal/hour throughput fed by a floating suction device and an electrically-driven pump. Contaminated liquid is fed into an integral sedimentation tank within the separator to remove solids before passing through a porous media. Less viscous coolant or water passes to the bottom of the separator and is recycled while more viscous oil collects in the media, discharging separately at a higher level.

● POWER

Provides a steady current

UNINTERRUPTIBLE power supply (UPS) equipment, which produces a 400 Hz three-phase supply from almost any voltage/frequency input, has been developed by Emerson Electric Industrial Controls of Swindon.

The Accupower 772 Series can be used with IBM, Univac, CDC, ICL and Amdahl 400 Hz central processors and will convert (for example) any 50/60 Hz three-phase supply between 208 V and 415 V into a highly stable uninterruptible and interference-free output at 208 V, 400 Hz. This voltage is maintained regardless of failures or fluctuations in the mains supply. Operating efficiency is 84 per cent between 75 per cent and 100 per cent full load. The mean time between failure rate exceeds 100,000 hours.

A 400 Hz supply is more readily converted to the dc voltage used by a computer system's central processor unit (CPU) than 50 or 60 Hz supplies. The latter are more suited to the peripheral equipment of a computer installation which is mains-operated. A 400 Hz UPS will provide the required output without the need to fit a unit within the processor itself for conversion from 50/80 Hz to 400 Hz.

Accupower 772 UPS, modular in construction, is based upon a power conversion module rated at 75 kKA. Modules can be linked together in a variety of ways to meet any power requirement up to 600 kVA or beyond. They can also be used in conjunction with 50/60 Hz Accupower units to provide UPS facilities for complete computer installations.

Performance specifications of the 772 Series comply with those of major computer manufacturers. Under balanced-load conditions, voltage is accurate to ±1 per cent and frequency to ±0.1 per cent. Units will operate in ambient temperatures from 0 deg C to 40 deg C and in humidities up to 95 per cent.

Like other Accupower units, the 772 Series can be connected in redundant configuration, so that the central processor is unaffected by a failure of one or more units. The 772's are normally coupled into a battery bank to give back-up during supply failures. The same number of cells are used as for 50-80 Hz units, so that it is possible to use a common battery to back-up any mixture of Accupower units, if required. These batteries are kept fully charged by an electronically-controlled system which prevents them from emitting the sulphuric acid vapour normally associated with high-rate battery charging. There is therefore no need for a separate charging room.

Accupower 772 units have no moving parts except cooling fans, and even these are arranged so that there is spare capacity. Should one fan fail, the 772 will carry on running until it is convenient to replace the faulty part. Other design features include independent control and regulation circuits, and the minimum of power-switching circuits.

Emerson Electric Industrial Controls, Elgin Drive, Swindon SN2 6DX. 0793 24121.

● IN THE OFFICE

Top-pocket recorder

ALTHOUGH not the smallest tape recorder to have been announced on this page, the Pearlcorder S701, at 119 x 67 x 25 mm (about 4.7 x 2.6 x 1.0 inches) is about two-thirds of the thickness of the mini-cassette machines of the early 70s and can be reasonably carried in a suit top pocket.

From the mechanical, electrical and audio standpoints the machine, made by Olympus Optical in Japan, also offer a good deal more. The length of the cassette has been reduced by nearly 10 mm (to 50 x 32 x 8 mm) in the company's new Microcassette design, but at a tape speed of 24 mm/sec (15/16 ins/sec) a playing time of 30 minutes-per-side has been retained. However, the S701 also has a switch to reduce the speed to 12 mm/sec, whereupon the time rises to two hours.

In addition the machine uses a capstan to drive a 4 mm tape—an improvement on the earlier rim drive which, turning the wind-on spindle at a fixed rate gave non-constant tape speed over the length of the tape with associated audio quality changes.

The recorder has a thumb-operated switch easily operated with the machine nested in the hand and on the same right hand edge the tape speed selector. The separate electret microphone is on the top edge, to be pointing upwards when the machine is used in the top pocket. On this surface also are mounted the bright orange record button, external microphone and earphone jacks, a small red lamp which shows that "record" has been selected, volume control for playback, and a fast forward/cue button.

A useful facility is a choice of rewind speeds, allowing relatively slow backtracking for dictation if required, or fast movement to the start of the tape.

Price of the recorder is just under £100, and a version with one record speed and fewer facilities is also offered at £69.95.

Among the accessories available are an earphone, remote control switch, mains adaptors, additional microphones, and carrying cases and strap.

Olympus Optical Company is at 2, Honduras Stret, London EC1 0TX (01-253 2772).

Portable card imprinter

COMPANIES that have the problem of collecting payments other than at fixed premises and wish to accept credit cards will welcome the Port-a-Print from National Business Systems, 68, High Street, Weybridge, Surrey KT13 8BL (Weybridge 53291).

NBS describes this as the first pocket-sized imprinter that allows convenient imprinting from plastic credit cards on to paper documents. It enables organisations to accept all leading cards, or issue their own cards, where previously they would have been restricted by size, weight or the inconvenience of carrying a conventional flat-bed imprinter.

Applications are expected to occur in insurance premium collection, household sales of cosmetics and similar items and for servicing / repair charge collection. In the latter case the card can be located with the equipment involved showing model number, installation date, etc., and Port-a-Print can be carried by the repair man to capture details without illegible handwriting problems.

● HANDLING

Pumping molten metal

A PUMP for circulating or transferring molten non-ferrous metals has been designed to simultaneously inject flux gases into the discharge flow at precisely controlled rates. The most important applications are said to be the injection of chlorine gas or chlorine/nitrogen mixtures into molten aluminium for removal of magnesium and degassing (removal of hydrogen).

The pump, introduced by The Carborundum Company, Rainford St. Helens, Merseyside, 074-488 2941, mixes the gas into the high-speed horizontal stream of liquid metal as it leaves the impeller-housing and it is stated that when removing magnesium, for example, chlorine consumption is reduced to little more than the theoretical minimum needed for reaction.

Atmospheric emissions of free chlorine and aluminum chloride, normally a serious source of pollution, can be reduced to negligible levels, it is claimed.

Used as a circulating-pump—in a reverberatory furnace for example, says Carborundum the new pump greatly increases heat-transfer rates, so that more metal is melted for the same fuel consumption and by circulating the entire melt at least twice an hour it ensures complete homogeneity of composition.

The first European installation (the pump is already in use in the U.S.) is at the Latchford works of The British Aluminium Company, near Warrington, Lancs. In a secondary-smelting operation for reprocessing aluminium scrap, the pump is used for melt-circulation and removing magnesium in a 40-ton reverberatory furnace.

For transfer operations, such as moving metal from a furnace into a ladle, a launder (inclined trough for conveying molten metal) or a diecasting machine, the pump is available with riser-pipes and spouts instead of submerged discharge. Transfer distances up to 40 ft and lifts as high as ten ft have been achieved.

Pumps of this type are made in four sizes for pumping aluminium at rates from 100 to 10,000 lb/min and are normally driven by variable-speed air motors. The motor is mounted some distance above the metal surface and drives the immersed centrifugal impeller through a vertical shaft, surrounded by three support posts. The impeller and its housing are of oxidation-resistant graphite, with bearings of silicon carbide.

Other versions of the pump are available for pumping zinc, zinc alloys and lead.

● ELECTRONICS

Good colour for process control

A HIGH resolution 14-inch colour video monitor suitable for industrial/scientific application has been developed by Digivision, 82 Cannock Street, Leicester LE4 7HR (0533 764231).

The monitor has a high resolution screen which makes display of 80-column data a practical proposition for this screen size and the unit also utilises a self-converging tube for long-term operational stability. This eliminates the need for convergence controls—an irritant in the industrial environment. The fewer circuits involved also assist in keeping the unit's cost at an economic level.

The monitor will receive its first public showing on Digivision's stand (No. 100) at the forthcoming Scotelex '79 Exhibition, Edinburgh, April 23-26.

● AGRICULTURE

Electronics on the farm

ELECTRONIC control of sprayers from the tractor cab is to be demonstrated at the Writtle Agricultural College, Chelmsford, Essex, on May 16 by E. Allman and Co. of Birdham Road, Chichester, Sussex.

The company's 2000L trailer sprayer—with electronic control of hydraulically operated booms, together with the Model 150 sprayer, which has electric remote control of spraying—will be demonstrated at the Electronics in Agriculture Exhibition organised by the Institution of Agricultural Engineers.

On the 2000L, there is electronic control of the on/off system, boom folding, raising, lowering, and selection—left, right or centre. The sprayer has a 2000-litre capacity stainless steel tank and a 14 metre boom.

The model 150 will be fitted with an electric control box in the cab, operated from the tractor battery. A master switch gives immediate on/off and three other switches control boom selection—right, left or centre.

Indicator lamps are fitted and the control box can be positioned in the tractor cab simply by placing it on the windscreen or side panel by two "suckers."

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Lessons in computer game survival

EDUCATION IS at last showing its mettle in the UK national management championship. With the second round of the 1979 computer-based contest just ended, and the 1,007 initial entries whittled down to 64, educational institutions are showing the highest survival rate.

Of the 29 institutions which came to the starting line in January, four are still left, giving education a survival rate of 13.8 per cent.

Next in the ranking come private entries with 10.5 per cent, central and local government with 8.3, banks and building societies with 7.8, commerce and industry with 6.1, insurance with 5.3, accountants and consultants with 4.8, and nationalised industries with 3.1 per cent. Stockbrokers, chambers of commerce and, alas, newspapers and other publications have disappeared from the championship altogether.

It was as long ago as 1972 that a team from education last distinguished itself in the contest, which requires entrants to compete in groups to make profits for their "paper" consumer - durable companies amid variable economic conditions simulated by the National Management Game's computer programme. In that year Oriel College Oxford finished second to Essex County Council.

Since teams tend to disguise their identities until the last stages, we do not yet know who the four educational survivors are. But if they are to win through the two remaining postal rounds into the four-team "real time" final in London on July 20, they will have to beat some highly experienced competitors.

The reason is that other players still in with a chance of the championship prizes—£2,000 for the winner and £750, £500 and £250 for the three runners up—include John Chappell, a former European management champion, and Dr. Terry Flitcroft, chief executive of the Unicorn Industries group.

Last year Dr. Flitcroft won the subsidiary "Plate" contest also sponsored annually by the Financial Times, ICL and the Institute of Chartered Accountants in England and Wales in association with the Confederation of British Industry and the Institute of Directors. A record 219 teams have entered the 1979 Plate, which offers prizes of £500, £250 and £100.

Michael Dixon

Mixed fortunes for BAT's diversification into retailing

SINCE THE mid-1960s BAT Industries, the multinational tobacco conglomerate, has been diversifying into new areas of business. In the late 1960s it moved into the cosmetics and paper industries, notably through the purchase of Wiggins Teape. Then, in the early 70s, it decided to enter the potentially massive and lucrative retailing industries in both Europe and U.S. Few of its diversification efforts have been remarkably successful, especially retailing, and it still finds itself embarrassingly earning three-quarters of its profits from its traditional tobacco business.

The importance the company attaches to its retailing diversification is shown by the fact that retailing now accounts for some 22 per cent of BAT's total turnover and 19 per cent of its total assets. But retailing only managed to produce some 5 per cent of group operating profits in 1978.

This was even less than in the previous two years. BAT's dissatisfaction with this performance is underlined by the objectives outlined by Mr. Peter Macadam, BAT's chairman, 18 months ago.

He made clear then that he would like to see the non-tobacco side providing 40 per cent of the profits instead of the present 25 per cent. That probably implies not only a substantial improvement from paper and retailing, but also an additional "leg" on which to stand.

Paper produced 11 per cent of the profits last year, from 10 per cent of the assets, while cosmetics—which has also proved less than successful for BAT in the past — nevertheless managed to produce 1 per cent of the profits from 2 per cent of the assets.

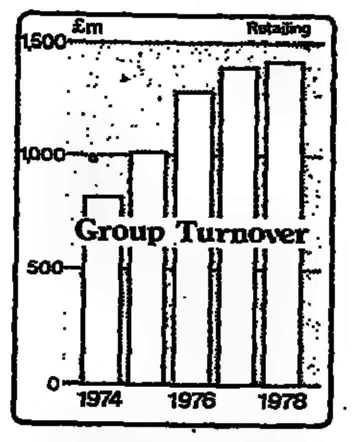
BAT's big push into retailing came in 1972 when the International Stores supermarket chain was acquired in the UK for some £68m, and the Kohl's supermarket and stores chain in the U.S., for £30m.

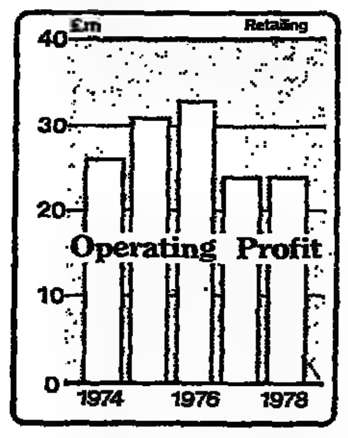
This was followed in 1973 by the £83m acquisition in the U.S. of the Gimbel Brothers department stores and the Saks, Fifth Avenue high fashion chain.

In the UK BAT acquired the Pricerite supermarket chain in the same year for £12m and merged this with International. Some other larger supermarkets were subsequently acquired from Budgen, and in 1977, the F. J. Wallis supermarket chain was bought for £21m.

In the financial year ended last September, International produced a trading loss of £5.3m, after a trading profit of £5.8m the previous year. While Saks and Kohl's were profitable, Gimbels was not.

Following our examination of Wiggins Teape's search for new products (this page, April 18), articles today and next week will analyse the mixed fortunes of BAT's U.S. retailing ventures and the troubles at International Stores. Today David Lascelles reports from New York.





Fight to put the U.S. store house in order

BY DAVID LASCELLES

Gimbels' store in a Philadelphia Shopping Mall

IN THE six years BAT has been in U.S. retailing, it could hardly have tried to run a more varied assortment of stores, ranging from Saks, Fifth Avenue, New York's Harrods, to Kohl's, a mid - Western supermarket chain, with Gimbels department stores somewhere in between. And while Saks raked the money in at one end, Gimbels raked a lot of it out the other.

This is perhaps unsurprising in the hectic world of U.S. retailing where competition is white hot and profits go up and down like yo-yos.

But BAT is trying to put its U.S. store house in order. For the second time since 1973, the group is being purged and reorganised to make it more efficient and, it is hoped, more profitable, too. Interestingly, the people running the new operation come not from the biggest store in the group, Gimbels, nor from that closest to the grass roots, Kohl's, but from the sumptuous executive suite at Saks, the group's biggest profit-maker.

BAT came into the American stores business when its long-standing U.S. subsidiary, Brown and Williamson Industries (BWI) of Kentucky, decided to diversify into retailing in the early 1970s and, in swift succession, bought up Kohl's and then the joint Gimbels Saks company, the latter for $205m.

Although Saks's profits had been suffering from the vagaries of fashion, it was basically a big money-earner, selling high margin luxury goods. Unlike Harrods, it had spread its wings over the years and come to own 28 branches around the country, catering to the high-income groups wherever they flourished.

Kohl's, too, was basically a sound business, operating several dozen supermarkets and a smaller number of department stores, mainly in Wisconsin and Illinois.

The problem child was Gimbles, one of the largest and longest-established of all U.S. department stores. Still controlled and managed by the Gimbel family at the time of the takeover, the chain had become somewhat down-at-heel, and appealed to no particular market segment. BWI determined to revitalise the business and when the Gimbel patriarch retired two years later, they put in Martin Kramer, a senior executive wooed over from the competitor, Allied Stores. He slipped into the Chairman's post with the words "You need hard rules to maintain standards."

Up-market

Mr. Kramer tried to solve Gimbels' problems by pushing the store up-market to profit from higher margins there and growing middle class spending. In fact this strategy was not original. Other giant retailers like Macy's and Bloomingdeles were doing just the same, and with conspicuous success.

As it turns out, Mr. Kramer might have done better to keep Gimbels where it was, and make the most of its position at the low end of the market. For Gimbels never really became profitable, and its image only barely improved despite the millions that were spent refurbishing stores and improving stocks. Store images die hard.

Outside New York, Gimbels old city centre stores also began to lose out with the shift to the suburbs where newer competitors were opening up in large shopping malls, with convenient parking and none of the city centre hassle.

In the fiscal year ending last September, Gimbels Saks made net profits of $11.6m on record sales of just over $1bn. But the company report (which did not break down the results) said that this was due to Saks's profits. Gimbels was still losing money, albeit less than the year before, thanks to higher margins. "While sales for the year showed an increase at Saks," the report went on, "the Gimbels division recorded a moderate decline, reflecting a continuation of its new merchandise programme to de-emphasise or eliminate unprofitable departments." Since then, the company says, there have been further improvements in all divisions.

But four months later, at the end of January, BWI made known its continuing displeasure with the way things were going by announcing another major shake-up. Mr. Kramer departed—"early retirement" aged 56—and the whole operation was re-structured to give it more flexibility and place the successful Saks management at the top.

A few weeks later, the president of Gimbels New York division, James Connolly, also resigned "to pursue other business interests," leaving the field clear to Allan Johnson, chairman of Saks, who was placed in charge of the newly formed BWI retail group. Mr. Johnson, 62, has spent most of his working life in retailing, all but a few years of it at Saks.

The broad shape of the business he and his team took over was little different from 1973, but bigger. Today, Saks has 31 stores, Gimbels 38 and Kohl's 78, with total turnover of $1.6bn a year. But, in the words of Mr. Johnson, it was badly organised. "Everything was basically being funnelled through one man," he said.

The first step was to break down the group into manageable units with sufficient strength to operate on their own. Mr. Johnson comments: "Each division is now to have more autonomy, to be more involved in its planning and operations—and to be more responsible for results."

Saks is to remain a single unit. But Gimbels is being broken down into four units based on its major geographical regions, New York, Philadelphia, Pittsburgh and Milwaukee. Kohl's is being divided into its food and department stores divisions.

"Decentralisation," said Mr. Johnson, "will help us concentrate on the good stores and also help those not doing so well."

There are several broad aims. One is to reduce the average size of stores but increase turnover by doing more business per square foot. This means eliminating a lot of wasted storage space and making more use of regional distribution and warehousing centres. More effort will also be made to define store customers, particularly at Gimbels. "You need to know who your customers are," said Mr. Johnson.

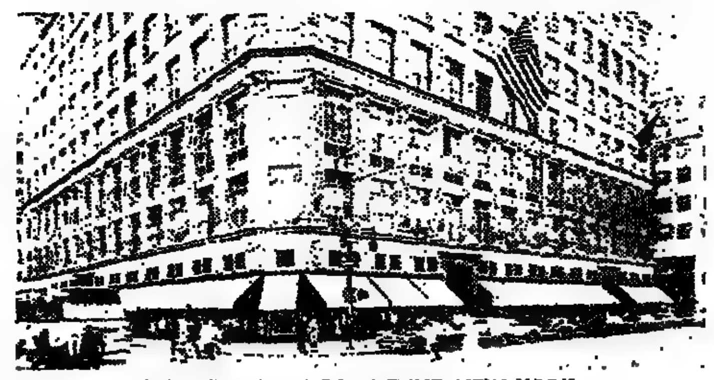
Plainly, though, Saks will be expected to lead the way. Over the next ten years, the number of stores is to be raised by 19 to 50 at a cost of $250m and the chain's total turnover doubled to $1bn a year. The geographical spread of the chain is also to be strengthened, with openings or expansions planned as far apart as Miami, California, Michigan and New Orleans.

"Quality stores are a growing business," says Mr. Johnson, listing companies like Neiman-Marcus which are expanding rapidly. "Affluent customers are becoming a more important part of the business mix. And it's not just wealthy people. There are the two-income families as well." Saks is aimed at the $25,000 a year plus income groups, with any share of the market below that level considered a plus.

Eurofashions

Surprisingly for people accustomed to the international atmosphere of Saks's stores and their European fashions, only 12 to 14 per cent of its sales are foreign goods. Most of its wares, particularly clothes, originate close to its New York headquarters, which is why the chain has its largest distribution centre in Yonkers, just outside Manhattan.

Gimbels will be more of a problem. Ironically, the answer may lie in pushing the chain back down-market to occupy the space left by the rise of the likes of Macy's and Bloomingdales.



SAK'S STORE ON 5th AVENUE, NEW YORK

As the last company's report noted, the chain is in the process of phasing out low-margin goods so as to bring its profitability closer to the industry average. But Mr. Johnson sees it serving younger customers and the "moderate to middle" income group ($10-25,000 a year). Appliances are to be phased out, and the emphasis shifted to soft furnishing where margins tend to be higher. Gimbels will also try to upgrade its fashion image and sell more decorative goods.

But long term plans are still being put together. Unlike Saks, there are no firm goals ten years on, and though stores are being given a face-lift, there are no definite targets.

The Kohl's chain, which Mr. Johnson described as a "high quality business" with a solid regional base, is seen to have good growth prospects, and its rate of expansion will probably be stepped up.

But what guarantee is there of success for BWI this time round?

Industry observers agree that Saks and Kohl have little to worry about. Both possess excellent images in their markets, and enjoy proven profitability records. The deciding factor will be Gimbels.

Apart from its own inherited problems, Gimbels operates in a hotly competitive market where even the largest and healthiest stores have problems. So it will need time and money to identify its place in the market and then develop a strong new image to consolidate its position there.

Gimbels's future could therefore test both the patience and resources of BWI and, ultimately, BAT. Mr. Johnson says that the parent company "gives us a lot of autonomy" as well as the capital to improve the business. However, there has been speculation in the retailing world that BWI will pare Gimbels back so as to concentrate on its more profitable regions, or that it might even sell off the chain altogether.

Mr. Johnson denies that there are plans to sell Gimbels, but he says there are problem stores which might well have to be closed down. Somewhat cryptically, he comments, "We are making a study of each market and developing an expansion programme that would give us our share of that market."

LOMBARD

Innocents in New York

BY ANTHONY HARRIS

A TYPICAL, sophisticated City of London view of the history of the dollar in recent years goes something like this. Ever since the late 1960s, when the boss-word was "symmetry," the Americans have been demanding a large revaluation of the Japanese yen and the D-mark. Mr. Conally thumped the table for it, Mr. William Simon, concerned with inflation, was less concerned, but it was Treasury Secretary Blumenthal who found the answer: he talked the dollar down. He was not only unworried, but delighted, until the whole slide got out of hand.

The accompanying turmoil in the exchange markets, on this view, was not really America's fault; it was rather the fault of the Germans and the Japanese, who were resisting the adjustment the U.S. wanted, and chose to finance their own export industries and the corresponding U.S. deficit by pumping out yen and D-marks as if there was no tomorrow. We did our bit—but then we did need some reserves, so we can be excused. Subsequently we have put our own monetary policy first, and sat out of this highly inflationary battle of wills, which ultimately dragged even the Swiss into inflationary policies.

Eyewash

November 1 was Armistice Day, when it was decided that it was in everyone's interest to bring the struggle to an end; but until November 1, talk of stabilisation was largely eyewash. In short, the Americans won, though their opponents made certain that the struggle was a costly one in terms of future inflation.

This is not the story as they tell it in New York. The Americans, by their own account, were not involved in a battle of wills, but in a struggle with forces which they did not until very recently understand. Last week I sat in the Columbia-Dillon Read international finance seminar listening to a whole series of U.S. officials, bankers, and even one or two academics proclaiming their innocence and recent enlightenment.

As Fred Bergsten of the U.S. Treasury put it, "There are many relationships which have long seemed obvious from the point of view of small, open economies which were not nearly so self-evident to people operating a large and largely closed economy." The facts that were not obvious apparently include even the fact that higher interest rates would help the dollar. That was a subject of inconclusive debate until the reaction to the anti-inflation package of October 24 proved the point. That was trauma week.

The idea that the U.S. achieved its exchange-rate objectives as an unintended result of a nasty lesson in practical economics takes a bit of swallowing, but I think it must be accepted as true, because the learning process is visibly going on, and is still far from complete. One measure of progress was the fact that everyone in the seminar was talking about domestic credit expansion —or as some of them prefer to say, the domestic contribution to money creation — as if they knew what it meant.

Convert

That would not have been true in New York a few months ago. The fact that Secretary Blumenthal is now more of a hawk on interest rates than the Fed itself shows the zeal of a recent convert. The defence of the dollar, after all, is the one unquestionable, if belated and possibly temporary triumph of the Carter administration.

But the learning is still partial. The Administration may now be willing to operate relatively ruthlessly on Federal Funds and therefore on Euro-dollar interest rates. They continue, however, to protect U.S. citizens from the effects of these policies. All interest payments are tax-deductible, and many States impose legal ceilings on the cost of consumer credit.

Most important, Congress continues to block the Fed's demands to be allowed to pay interest on reserve assets; so banks drop out of the Federal Reserve system, or invent new forms of reserve-free intermediation, or push business offshore, until no two experts can agree how tight monetary policy now is—if it is tight at all.

So credit growth continues, checked only by market saturation. Faced with such consequences of naivety, it is easy to wish that the Machiavellian legend were true.

AROUND BRITAIN

GOOLE

A curiously isolatad life

BY BRIAN GROOM

GENERAL BOOTH, founder of the Salvation Army, dubbed it the "port in green fields." To its neighbours in Hull, Goole is "sleepy hollow."

But it is precisely in such small somnolent places that the effects of economic change can often be most closely observed. And Goole, a small town and inland port on the River Ouse, once in Yorkshire and now in the new county of Humberside, has felt a good many of the changes that have reshaped the British economy since the war.

They have proved insufficient to help a working class community of 17,500 inhabitants, living a curiously isolated life surrounded by open country. Outewardly, the changes have been massive. Goole was largely created as a company town early in the 19th century, with its raison d'etre, the Knottingley to Goole canal, opening in 1826. The Aire and Calder Navigation Company owned Goole lock, stock and barrel.

Up to the 1939-45 war, Goole was greatly dependent on its role as outlet for coal from the Yorkshire coalfield, but modern times have brought reduced coal consumption and exports. In 1978 370,000 tonnes of coal were shipped at Goole, compared with 2.8m tonnes in 1913, the record year.

Diversification, of cargoes for the port, and of employment for the town, came of necessity. Fisons, Lockwoods, Burtons and BOC International are among the industrial presences of modern Goole. One notable effect of industrial development has been to provide jobs for the female workforce, the growth of which has itself been something of a postwar phenomenon. There remains a shortage of jobs for unskilled and semi-skilled men.

The town's share of rising national living standards has provided the most keenly-felt change, along with an increase of mobility which has enabled local people to find work outide the town.

Dockers are far efwer, around 300 compared with an estimated pre-war 650 casuals. Although an element of piecework is retained in their pay, a certain level of wage is guaranteed. Gone are the miserable, hungry pre-war days of queuing for half a day's casual labour.

More than anything else Goole has become since the war a mixed economy creation of Clause Four, the nationalisation clause, of the Labour Party's constitution. One third of its land is owned by the British Transport Docks Board, British Rail, the British Waterways Board, British Gas and British Shipbuilders, even before local authority and health authority land is taken into account.

The change behind that is accepted as broadly irreversible even by some of the area's Conservative politicians, who talk more of removing the nationalised industries' exemption clause from the Community Land Act—to wrest developm ent land out of their hands—than of de-nationalisation proper. Some people see the change as benign, and there is a degree of respect for the fact that the British Transport Docks Board makes a profits.

However, the townspeople might well ask what all the innovation has brought them in the way of greater influence over their own working lives. Frustratingly little real difference has been made to the divisive issue of class by replacing all-powerful local employers with all-powerful national ones. Monopolies are no strangers to Goole. In the last century the Aire and Calder sought to maintain its exclusive hold as long as it legally could, and there was a bitter struggle before the railway finally came.

Many contend that the dockers are the best-paid workers in the town, but others reply that it was union strength—albeit supported by sympathetic Labour governments — rather than nationalisation as such which put them into that position.

Goole shipyard illustrates how the more things have changed, the more in many respects they have remained the same. There have been three owners since the yard was opened in 1901: the Cragg family of Kirk Ella, near Hull; Swan Hunter (from 1968); and British Shipbuilders (from 1977).

The takeover by Swan Hunter was of greater moment than was nationalisation, in that it was an incursion by a major external corporation, and symbolised the formal end of a local paternalism long since effectively dead. (Before the war, the Cragg family had provided the building to house the grateful town's first X-ray equipment.)

The stability of small-town shipyard employment (where craftsmen, once laid off, are not easily recalled when needed, and the reluctance of any private or publicly owned yard to buy new equipment in a worldwide shipbuilding recession largely preclude radical change at a time of considerable uncertainty about the future.

"Prefabrication and unitisation have taken place within the working capability of the cranes," as one shipyard official coyly put it. No casual observer of the shipyard—or indeed of the town itself—would associate it with the white heat of the new technology.

Another change which now appears to have been shortlived was the boom of recent years in construction work on South Yorkshire power stations. Had the Government not decided that the second stage of the nearby Drax power station should be built prematurely, that source of employment for local men would by now have dried up.

The port stays well in profit by achieving a fast turn-round time, handling often difficult non-container cargoes. However, many people are now worried that Goole may be hit by the planned renovation of the Sheffield and South Yorkshire Navigation Canal, with improved waterways further inland making the port no longer the obvious trans-shipment point for some goods.

No one knows what effect it will have. One Rotherham company has said it may expand its business through the Humber ports—which could help Goole, Hull or Immingham, though road hauliers would suffer from any transfer to water borne traffic.

The British Waterways Board, along with other interested parties and pressure groups, is convinced that more trade will be done through the Humber ports. Hull dockers, however, were opposed to the scheme, and dockers in all three ports are wondering who would gain and who would lose if business remained constant, but existing trans-shipment points came into question.

The inhabitants can be forgiven for looking towards the future with the anxiety that they have long felt. Even outwardly nothing fundamental has happened. The rows of terraces, cloth cap and extended family group of the town's past survive almost intact.

Steve Cauthen's careful choices

RACING

BY DOMINIC WIGAN

STEVE CAUTHEN, whose skill and personality seem certain to make him one of America's sporting ambassadors, misses Sandown this afternoon in order to ride at Newcastle.

The tip should be worth taking. Cauthen, for whom Barry Hills and Jimmy Lindley have been choosing courses and rides with great care, seems to have a worthwhile double in prospect at Gosforth Park. He rides Denys Smith's Wahed and the Jeremy Hindley - trained Dominator.

I particularly like the chance of the once-raced Secretariat colt, Dominator, among the Henshaw Stakes runners. Backed from 4-1 to 6-4 for the nine-furlong Birches Bridge Maiden Stakes at Wolverhampton early this month, Dominator did well to fight off a determined challenge from Fast Water, despite running green.

The form of that race has begun to work out well, with third-placed Rebellion gaining a fluent success in the Kingswood Stakes at Epsom on Thursday.

Racing over 1¼ miles, a distance which will suit him admirably, Dominator looks a worthy bet.

Although Joe Mercer has finally decided to opt for Kris in the Two Thousand Guineas on Saturday week, complete plans for the Warren Place challence are still far from complete.

Henry Cecil remains undecided about the participation of Borzoi, despite an encouraging piece of work by the Round Table colt early this week. One pilot at least has to be found, for there are no doubts concerning the May 5 presence of Lyphard's Wish.

Cecil had hoped to secure Lester Piggott for the Craven winner, but it now seems likely that Vincent O'Brien's Junius, who has come on a lot in the past three weeks following a setback, will be Piggott's mount.

We should know a little more in that direction by tomorrow evening, for Junius, with Piggott aboard, contests the Tetrarch Stakes at the Curragh.

Both Pat Eddery and Willie Carson have also been mooted as possible riders for Lyphard's Wish, but Cecil has had little encouragement there either. "I had Pat Eddery in line for the ride, but he has to go to Haydock, and Willie Carson couldn't guarantee he would be available," he said.

The Newmarket trainer, who has sent out Grundy's 33-1 conqueror, Bolkonski, and Wollow to maintain the fine record of Warren Place in the Two Thousand Guineas since he took over from his father-in-law, is now in contact with Yves St.-Martin in the hope that the rider of Nonoalco can step in.

SANDOWN
2.00—Mother Flutter
2.30—Viribus
3.05—Zoro
3.35—Moonlight Rag
4.10—Little Annie
4.45—Nusantara*

NEWCASTLE
3.30—Thumps
4.00—Tuthill Bond
4.30—Wahed**
5.00—Dominator***

TV/Radio

† Indicates programme in black and white.

BBC 1

6.40-7.55 am Open University (ultra high frequency). 12.40 pm News. 1.00 Pebble Mill. 1.45-2.00 Heads and Tails. 3.25 Teliffant. 3.55 Play School. 4.20 Heyyy, It's the King. 4.40 What Do You Watch? 5.05 Lassie. 5.35 The Perishers.
5.40 News.
5.55 Election Broadcast by the Ecology Party.
6.00 Nationwide.
7.00 Wonder Woman.
7.50 The Ronnie Corbett Special.
8.30 Open All Hours.
9.00 Election Broadcast by the Conservative Party.
9.10 News.
9.40 Petrocelli.
10.30 Campaign Report '79.
11.10 Fivepenny Piece (London and South-East only).
11.40 News, weather.
11.45-1.20 am "Otley" (film) starring Tom Courtenay.

All Regions as BBC 1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 11.10-11.40 Brass Band Championships.

Wales—1.45-2.00 pm O Dan y Mor. 5.55 Wales Today. 6.15-6.25 Election Broadcast: Plaid Cymru. 7.00-7.30 Heddiw. 7.30-7.50 Dewch I'r Ardd. 11.10-11.40 Sutherland in Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 9.40-10.30 Campaign Phone-in. 11.10-11.40 Gallery.

England—11.10-11.40 pm East: Encounter; Midlands: Midlands Tonight; North: Springtime with Geoffrey Smith; North-East: Friday North—Mike on Friday; North-West: Sense of Place; South: The Great Liners; South-West: Peninsula—News Watch; West: Day Out.

BBC 2

6.40-7.55 am Open University.
11.00-11.25 Play School.
2.30 pm Snooker: Embassy World Professional Championship.
4.50 Open University.
6.55 Snooker.
7.20 News.
7.30 Heads and Tales.
7.45 Gardeners' World.
8.10 Chronicle.
9.00 Election Broacast. As BBC 1.
9.10 Larry Gatlin sings Country.
9.35 The Other Side.
10.30 Snooker.
11.15 News and the Hustings.
†11.45-1.30 am "Lady In The Lake" (film) starring Robert Montgomery.

LONDON

9.30 am Noddy. 9.40 Dynomutt. 10.05 Turkey Time. 11.10 Who's Afraid of Opera? 11.35 Inner Space. 12.00 Song Book. 12.10 pm Daisy, Daisy. 12.30 The Cedar Tree. 1.00 News. 1.20 Thames News. 1.30 Home and Design. 2.00 After Noon Plus—Racing from Sandown: 2.30, 3.05 and 3.35. 3.50 The Sullivans. 4.15 Midnight Is a Place. 4.45 Magpie. 5.10 Thames Sport.
5.40 News.
5.55 Election Broadcast: Ecology Party.
6.00 Thames at 6.
6.30 Emmerdale Farm.
7.00 Mork and Mindy.
7.30 Winner Takes All.
8.00 Hawaii Five-O.
9.00 Election Broadcast by the Conservative Party.
9.10 Kids.
10.10 News.
10.50 Police 5.
11.00 The London Programme.
12.00 Soap.
12.30 am Close, with Michael Burrell.

ANGLIA

9.35 am Cartoon. 9.40 Tulip Fiesta. 10.10 Cartoon. 10.15 The Selling of the Sea. 11.10 Country Comes West. 11.35 Weir's Way. 1.25 pm Anglia News. 5.15 Bailey's Bird. 6.00 About Anglia. 7.00 Father Dear Father. 7.30 Gambit. 8.00 Chips. 10.50 Constituency Film. 11.20 "The Corrupt Ones" (film), starring Robert Stack. 1.00 am Men Who Matter.

ATV

9.25 am Untamed Frontiers. 9.50 England, Home and Beauty. †10.30 Brothers in Law (film), starring Richard Attenborough. 1.20 ATV Newsdesk. 3.50 Friends of Man. 4.15 Midnight is a Place. 5.15 Happy Days. 6.00 ATV Today. 8.00 The Incredible Hulk. 10.50 Mary Hartman. 11.20-1.30 am The Only Game in Town (film), starring Elizabeth Taylor.

BORDER

9.30 am Cartoon. 9.50 Clue Club. 10.15 The Selling of the Sea. 11.10 Country Comes West. 11.35 Weir's Way. 1.20 pm Border News. 5.15 Garnock Way. 6.00 Lookaround. 6.30 The Dog Show Special. 7.00 Father Dear Father. 8.00 The Love Boat. 10.50 Border Month. 11.20 Streets of San Francisco. 12.20 am It all goes to show. 12.50 Border News.

CHANNEL

1.18 pm Channel News. 5.15 Emmerdale Farm. 6.00 Report at Six. 6.35 Lucan. 9.00 Encore. 10.48 Channel News. 10.52 Talkback. 11.55 News and Weather in French.

GRAMPIAN

9.25 am First Thing. 9.30 20,000 Leagues Under the Sea. 10.15 The Selling of the Sea. 11.05 Country Comes West. 11.30 Weir's Way. 1.20 pm Grampian News. 5.15 Emmerdale Farm. 6.00 Grampian Today. 6.35 Sportscall. 7.00 Mork and Mindy. 7.30 Andy's Party. 10.50 Reflections. †10.55 "The Dead Don't Die" (film), starring George Hamilton. 12.20 am Grampian Headlines.

GRANADA

9.30 am Sesame Street. 10.25 Focus on Wildlife. 10.55 Funky Phantom. 11.15 Picture Box. 11.30 The Beatles. 11.45 A Handful of Songs. 1.20 pm Dodo. 5.15 University Challenge. 6.00 Granada Reports Special. 7.00 Kick Off. 8.00 The Streets of San Francisco. 10.50 Darts World Knockout Cup. †11.30 Film: Kenneth More, Billie Whitelaw in "The Comedy Man."

HTV

9.50 am Young Country. 10.15 The Selling of the Sea. 11.05 Country Comes West. 11.30 Weir's Way. 1.20 pm Report West. 1.25 Report Wales. 5.10 Gambit. 6.00 Report West. 6.15 Report Wales. 6.30 Report Extra Election '79. 7.00 Emmerdale Farm. 8.00 The Incredible Hulk. †10.50-12.20 am The Night We Got the Bird (film), with Brian Rix.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion. 4.15-4.45 Noddfa Anifeiliaid. 6.00-6.15 Y Dydd. 6.30 Outlook on the Election. 7.00 Emmerdale Farm. 8.00 The Incredible Hulk. 10.55-11.05 Brains Darts Tournament. 11.25 The New Avengers.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West. 6.00-6.30 Report West.

SCOTTISH

9.30 am Rembrandt. 9.50 Friends of Man. 10.15 The Selling of the Sea. 11.10 Country Comes West. 11.35 You Can Make It. 1.25 pm News and Road and Weather. 5.15 Gambit. 6.00 Scotland Today. 6.30 Emmerdale Farm. 7.00 Do You Come Here Often? 7.30 Winner Takes All. 8.00 Streets of San Francisco. 10.50 Ways and Means. 11.20 Late Call. 11.25 Love Story.

SOUTHERN

9.30 am Stationary Ark. 9.55 Little House on the Prairie. 10.45 Bloodsport. 1.20 pm Southern News. 5.15 Happy Days. 6.00 Day by Day. 6.00 Scene South-east. 6.30 People's Choice. 8.00 Streets of San Francisco. 10.50 Weekend. 10.55 Southern News. 11.05 Soap. 11.35 Two Heartbeats (film), starring Yuda Barkan.

TYNE TEES

9.25 am The Good Word. 9.30 Stars on Ice. 9.55 Call It Macaroni. 10.15 The Selling of the Sea. 11.10 Country Comes West. 11.35 Weir's Way. 1.20 pm North East News. 5.15 Laverne and Shirley. 5.45 News. 6.00 Northern Life. 6.25 Sportstime. 7.00 Alright Now. 10.50 Friday Live. 12.00 A Twist in the Tale. 12.55 am Epilogue.

ULSTER

10.15 The Selling of the Sea. 11.10 Country Comes West. 11.35 Weir's Way. 1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Gambit. 6.00 Good Evening Ulster. 6.30 Sportscast. 8.00 The Streets of San Francisco. 10.50 "Cat Ballou" (film), with Lee Marvin and Jane Fonda. 12.25 am Bedtime.

WESTWARD

9.25 am Friends of Man. 9.50 The Rolf Harris Show. 10.15 The Selling of the Sea. 11.10 Country Comes West. 11.35 Weir's Way. 12.27 pm Gus Honeybun. 1.20 Westward News. 5.15 Emmerdale Farm. 6.00 Westward Diary. 6.35 Time Out. 7.00 Southwest Showcase. 10.52 Westward News. †10.56 "Sons and Lovers" (film), starring Wendy Hiller. 12.45 am Faith for Life.

YORKSHIRE

9.30 am Wild World of Animals. 10.00 Rainbow. 10.15 Oscar. 10.30 Five Weeks in a Balloon. 11.10 The Cost Islands. 11.35 Beachcombers. 12.10 pm Election Calendar. 1.20 Calendar News. 5.15 Give Us A Clue. 6.00 Calendar. 6.35 Calendar Sport. 8.00 It'll Be All Right on the Night. 10.50 "Frenzy" (film), with Jon Finch.

RADIO 1

(S) Stereophonic broadcast

‡ Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Peter Powell. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 6.31 Roundtable. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary; Weather. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.40 Election Broadcast by the Labour Party. 6.45 Sports Desk. 7.02 Listen to Les (S). 7.30 Fiesta de Dorita (S). 8.02 Ronnie Aldrich (S). 8.45 Friday Night Is Music Night (S). 9.55 Sports Desk. 10.02 Take Your Partners (S). 11.02 Brian Matthew, with Round Midnight including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Dvorak (S). 10.05 Young Artists Recital (S) Ives, Beethoven. 11.00 Moritz Moszkowski (S). 12.10 pm In Short. 12.20 Scottish Chamber Orchestra (S): part 1: Teleman, Devienne. 1.00 News. 1.05 Playbill (S). 1.20 Scottish Chamber Orchestra (S): part 2: Handel, Bach. 2.00 Royal Repertoire (S). 3.05 The Beecham Legacy: Berlioz, Schubert, Sibelius, Strauss. 4.25 The Young Idea (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound. ‡6.15 At Home. 7.10 Three Men in a Boat. 7.30 BBC Manchester Master Concert (S): part 1: Berg, Schumann. 8.25 Devil's Gorge. 8.45 Concert (S): part 2: Tippett. 9.25 Spring at Walden Pond. 9.45 College Concerts 1978-79 (S): part 1: Knussen, Birtwistle. 10.20 Interval Reading. 10.30 Concert, part 2: Stravinsky. 11.05 Music Now. 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. Magazine, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News headlines; 7.45 Thought for the Day. 8.50 Election Broadcast by the Conservative Party. 9.00 News. 9.05 Election Call. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Service. 10.45 Story. 11.00 Down Your Way. 11.40 Announcements. 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.27 My Music (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Life of Gerald C. Potter. 4.35 Story Time. 5.00 PM News magazine. 5.45 Ecology Party Broadcast. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 Book at Bedtime. 11.15 Financial World Tonight. 11.25 Election Platform. 11.50 Just Before Midnight (S). Play. 12.05 am News.

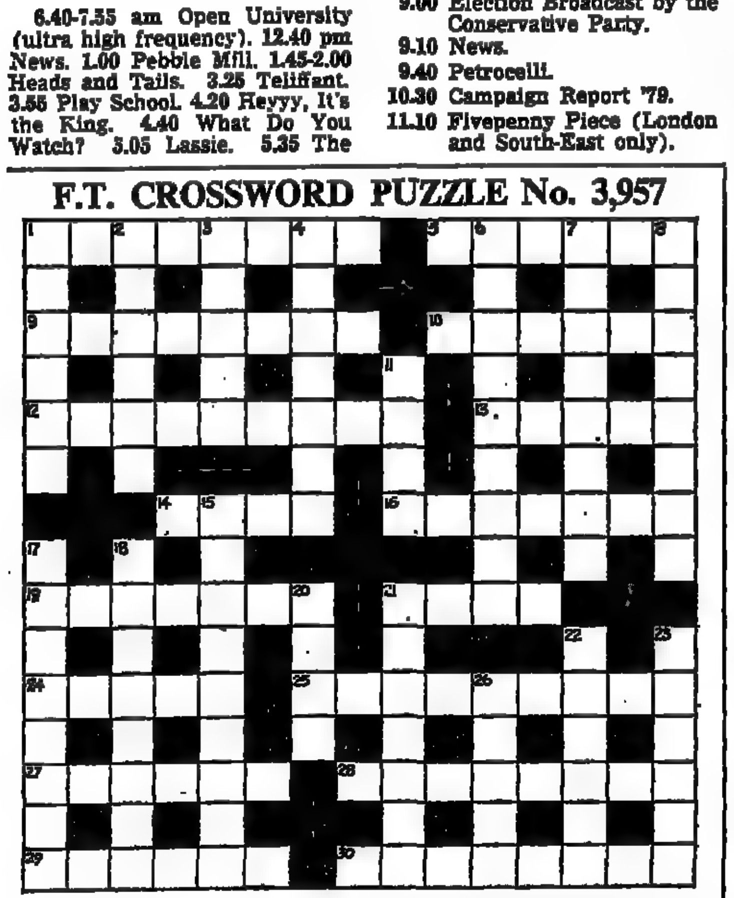
BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 Vote For Me! 9.30 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 London Sports Desk. 6.35 Good Fishing. 7.00 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Track Record. 10.30 Vote For Me! 11.00 Late Night London. 12.00 midnight Join Radio 2.

London Broadcasting

5.00 am Morning Music. 6.00 The A.M. Show. 10.00 Brian Hayes. 1.00-8.00 pm LBC Reports with George Gale at 3 pm. 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

F.T. CROSSWORD PUZZLE No. 3,957



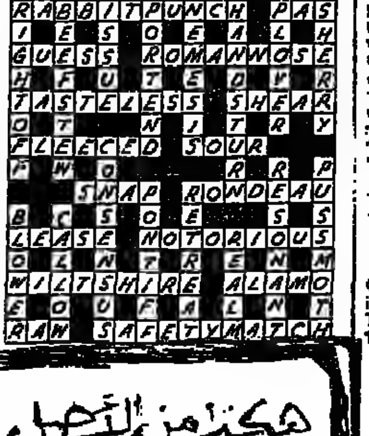
ACROSS

1 Cost of transport by rail and road (4, 4)
5 He's powerless in the air (6)
9 Fee for being available to servant (8)
10 Farce written with little science and much paper (6)
12 Get there first and find a front seat (9)
13 Side dish for boy from South Africa (5)
14 Marine life saver for one of services before a junction (4)
16 Colouring of a Northern Ireland family (7)
19 A month before relative briefly discovers sterility (7)
21 A cast covered with fiery remains (4)
24 Register part of hidden territory (5)
25 Gelatinous substance is inside barometer (9)
27 Can broken leg bring feeling of excitement? 6)
28 Merrymaker takes vehicle round to employer (8)
29 Pastrycook encountering Simon fairly bound (6)
30 Wind with qualities of a church festival (8)

DOWN

1 List of duties (6)
2 An island race driven to anger out of habit (6)
3 Life's difficult finding space for scenery (5)
4 New-fangled race ten order again (7)
6 Craftsman creating the closed shop (9)
7 Cunningly secret part of Highland dress associated with Scots river (4, 4)
8 Engineers' regiment departed cured (8)
11 Argument sure to leave enjoyment (4)
15 A student enters one country to reach another (9)
17 Become reconciled to it splitting two parts of composition (4, 2, 2)
18 Judgment on writing between two periods (8)
20 Important people upset racketeer (4)
21 Heavyweight with two degrees who fell among thieves (3, 4)
22 Person responsible for elevation of breeder (6)
23 Bird found in extra-large quarry (6)
26 Old coin given to Billy for being outside-right (5)

SOLUTION TO PUZZLE No. 3,956



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

ART GALLERIES

THE ARTS

Bernard Hepton and Keith Buckley

St. George's

Julius Caesar

by B. A. YOUNG

The St. George's Theatre in Tufnell *Park Road is a focus for* school visits to Shakespeare, and its production of *Julius Caesar*, directed by Don Taylor, not only looks as if it were conceived principally for school visitors, but sometimes as if it were being played by them.

It is dressed in Italianate costumes described in the programme as early Jacobean; and having established this period, the Romans are given firearms to eke out their swords and daggers. At one moment I swear I could hear a machine-gun offstage, though onstage there was nothing more lethal than a couple of muskets, one *of which is actually* used for an execution. I do not myself *think it matters much* what costume you play Shakespeare in, though I think the clothes ought not to look so consistently bright and new as they do here.

I say the production seems to be directed at schools because it is played, as it were, in primary colours. Whenever the *plebeians come on*, they shout mottoes in unison, like "Caesar! Caesar!" or (*when dealing with* Cinna the Poet) "Tear him! Tear him!" or, reacting to Antony, "Murdered! Murdered!" Battles consist of soldiers rushing downstage flourishing their weapons while the sound of conflict resounds off.

There is no subtlety in the playing. Most of the speeches are taken very loud, with intonations that *emphasise* the obvious points but seldom the *less obvious*. Bernard Hepton is a rock-like Julius Caesar rather short of public appeal. He has an extra entrance at the end of the play to demonstrate that he has won: as he leaves, he waves his baton at Octavius (Sam Destor, effectively small and dark), so passing on the succession.

I got the impression that Keith Buckley was not really ready for Mork Antony. He had one or two accidents with his words, and then relapsed into a kind of political oratory. His *heartfelt obituary over Brutus*, "This was the noblest Roman of them all," sounded as if he were awarding him an Oscar. Brutus (Richard Hampton) was given to an excess of emotion; having just demonstrated his courage by showing so little reaction to Messala's news of Portia's death, he pops over to the side of the stage and bursts *into tears. The only one of the* conspirators that convinced me was Alexander Davion as Decius Brutus, though Richard Kay's Cassius would have made a good conspirator in Ruritania rather than Rome.

The St. George's has got its sound almost right, and there is a useful permanent set by Paul Staples. Now it really must get down to the acting and the direction.

Architecture

Woolworth celebrates

by GILLIAN DARLEY

Theatricality comes easily to twentieth century American architects. *The vulgarity and* flair of, respectively, John Portman's *Hyatt hotels and Robert* Venturi's domestic architecture describe the contemporary extent of that sense of the dramatic, but it emerges from a 60 year tradition. In the heyday of the skyscraper commercial bravado allied to that theatrical quality produced some buildings in which all the limits were broken—whether the *limits were those of good taste* or merely practicable heights.

It was *no accident that Frank* W. Woolworth collected mementoes *of* Napoleon, indeed, sat in an office under the twin gazes of the Emperor and Josephine. When he decided to commission his company headquarters from Cass Gilbert Woolworth was intent on a structure that would *indelibly stamp the image of* his company on the city of New York—and *from there outwards*. Gilbert's design was for a 792 foot tower block, rising to 55 storeys, in the Gothic style, with copper roofs and white terracotta facing. In 1913 President Wilson flicked a switch in the White House and *80,000 electric* lamps lit up the building on Broadway which was to remain unchallenged for almost 20 years in *the* enduring competition to claim the title of the world's tallest skyscraper.

This year marks the centenary of Woolworth's as a company and to commemorate the occasion, a major programme of external *cleaning* and restoration of the Woolworth Building *is being undertaken. Architects*, the Ehrenkrantz Group, are faced with a gargantuan task, for the terracotta surfaces are cracking owing to the immense stresses built up in the structure roofs and decorative details need extensive repair, and the combined forces of temperature change and atmospheric pollution have wrought their worst over 66 years.

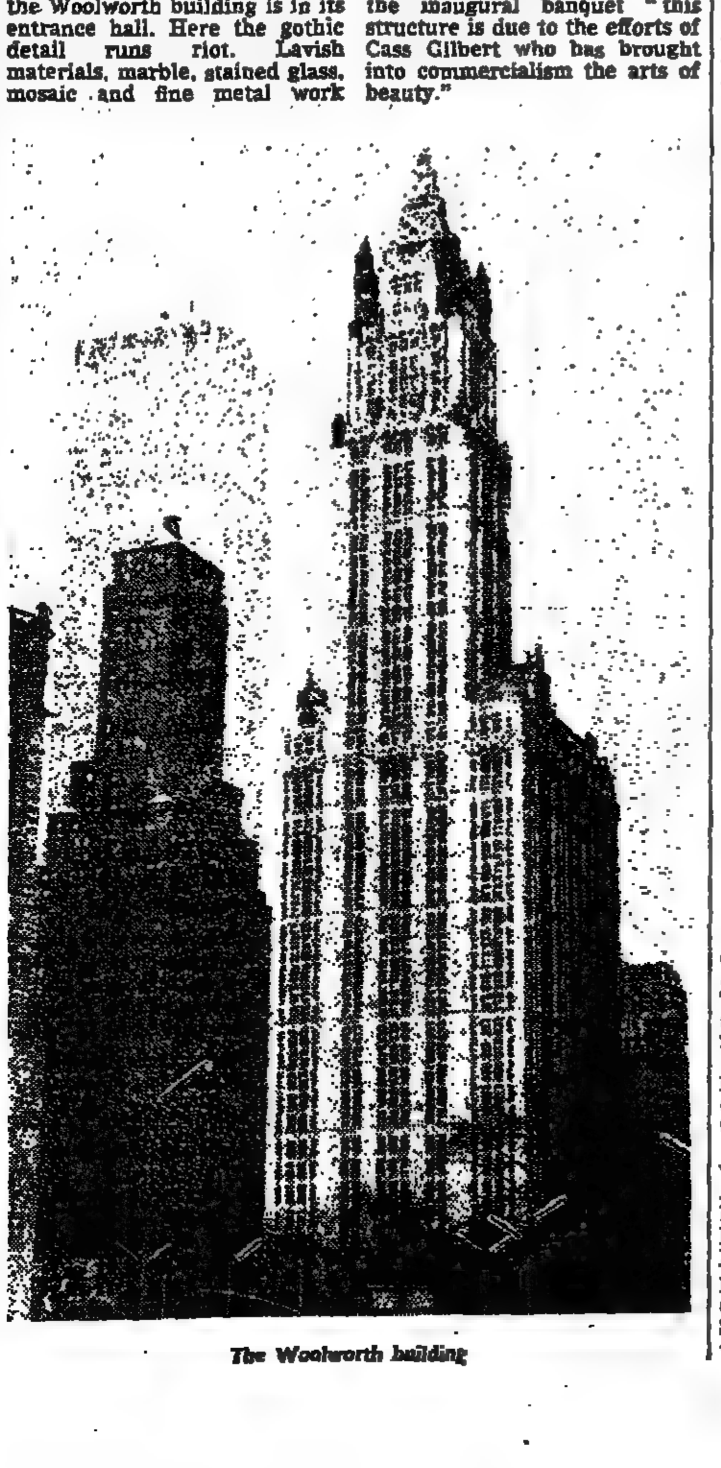
Preliminary washing has revealed the creamy brightness of the building and the work on replacing defective portions of the structure will begin shortly. Lengthy testing over the past three years has produced a specially formulated concrete which, when coated, will approximate to the effect of terracotta while offering some long term advantages over it. Cost and the uncertainties of supply of terracotta ruled out the use of the original material although work on the Wrigley building in Chicago, a skyscraper of comparable date, is being carried out with terracotta.

Problems of stress are being dealt with by a system of incisions *every two storeys whilst* the intricate work of restoration of decorative stonework and metalwork requires a search for craftsmen with appropriate skills. The original workforce was largely Italian; few specialist masons now remain in New York.

The cleaning of the building has revealed its detail to new effect. The tapering form, cited by one contemporary architectural critic as proof of the "clients' sense of civic obligation," meaning that he had lost *rental, is topped by a Gothic* spire and viewing platform—closed *to the public for many* years. Filigree turrets, lacy *balconies*, finials, gargoyles, buttresses and, above all, the soaring mullions to emphasise its height, earned the Woolworth Building its name, "the Cathedral of Commerce." On the 28th storey the building prepares to narrow, throwing out transepts, but giving the copper *roofs pronounced dormer* windows.

Gilbert broke all the rules with this building and left far behind the ideas of pure form and functionalism that the Chicago school had introduced. From now on skyscrapers took on fashionable styles at will, culminating in the magnificent art deco of the Chrysler building. *But, as in the Chrysler* building, much of the glory of the Woolworth building is in its entrance hall. Here the gothic detail runs riot. Lavish materials, marble, stained glass, mosaic and fine metal work decorate every inch. Even the light announcing the advent of the lift is set in a metal holder encrusted with gothic detail. *The imagery of the cathedral* extends to a simulated organ *loft over the main entrance*, though the grand stair leading to the first floor office suite is more Renaissance than Gothic. Gilbert himself denied his building drew on the Gothic cathedrals but claimed his inspiration came from the great civic buildings of that date.

Whatever the inspiration, one last Gothic custom has been *observed. In a bay leading to* some of the 29 lifts the carved figures of Cass Gilbert and F. W. Woolworth (the latter counting the nickels and dimes that had made the whole thing possible) look down on the scuttling office workers. The building is an exultant monument to the design talents of the architect and the financial acumen of the *client—it was paid for in cash*. As Frank Woolworth put it at the inaugural banquet "this structure is due to the efforts of Cass Gilbert who has brought into commercialism the arts of beauty."



The Woolworth building

Cinema

Scenes from rural life by NIGEL ANDREWS

The Tree of Wooden Clogs (U) Curzon
Wifemistress (X) Gate Two
The Getting of Wisdom (A) Academy
The Riddle of the Sands (U) Plaza

Ermanno Olmi's *The Tree of Wooden Clogs*, which won last year's Grand Prix at the Cannes Film Festival, has at last found a London home at the Curzon. This three-hour fresco of peasant life in turn-of-the-century Italy dwarfed every other competition film at Cannes last year. Set on a farm in Lombardy, it dovetails the stories of three different families who live in almost feudal dependence on the local landlord or *padrone*. Echoes of Bertolucci's *1900*, which boasted a similar period and setting, ring faintly in the mind's ear. But Olmi's film, set to the music of Bach and shot in colours that alternate between wintry-pale and twilight-golden, has an austere beauty all its own.

The film was made for Italian television (like *Padre Padrone*, which won the Cannes Grand Prix the previous year) and the print, blown up from 16 to 35 millimetres, is rough-grained But Olmi's story wasn't made for high-definition gloss, nor is his treatment. The Italian director made his name in the 1960s as a late runner in the Neo-realist stakes, with wanly poetic films like *I Fidanzati* and *Il Posto*. A sort of deadpan humanism marks his work—he's a Buster Keaton of the Po Valley—and in his new film the blend of that realist melancholy with radiant colour photography and an expansive running time creates a movie with a unique, long-breathed resonance.

Olmi has picked his cast en*tirely from non-professionals*; choosing them from among the peasants and *farmers of the* region of Bergamo. The faces, *some gnarled and bearded*, some worn to a smooth old age, some fresh-cheeked and youthful, share a hand-picked immediacy that is unmistakable. The stories intertwined in the film are similarly wide-ranging in mood, similarly unified by a centrality of purpose. A poor widow fights to prevent her two youngest children from having to go to a charity home. A grizzled farmer steals a coin and *hides it under a horse's hoof* — only to rage at the animal some weeks later, *on* finding the coin gone, with cries of "Thief! Thief!" A young man and girl get married and take a honeymoon trip on a barge to Milan — widening their geographical horizons for the first time in their lives. And a man who chops *down a tree* to make new clogs for his son is evicted by the *padrone*. The last story gives the film both its title and its rueful, vespertine ending.

Pervading the whole film is an unforced compassion for those at the wrong end of the feudal scale. Olmi offers a few overtly Socialist nudges through the film — an orator preaches revolution from a fair-ground soapbox, troops clash with demonstrators in the echoeing stone streets of Milan — but unlike his Marxist confrère Bertolucci, he *doesn't stand over the* audience with a big stick telling them what to think. Nor does he load the dice by presenting peasant life as one of unrelieved penury and discontent. The neutrality with which the characters bear *their* misfortunes is that of innocence rather than of stoicism, and the bleaker incidents are balanced by a delight in improvised amusements and communal warmth. A farmer tells a ghost story to a roomful of rapt listeners: the wedding guests gather by the *river*, in their peasant finery, to wave goodbye to the honeymooning newlyweds.

The pleasures of the film are in its minute details as much as in its breadth and sureness of vision. Olmi's resolutely humanist style keeps his camera at eye-level almost throughout, and abjures all visual flamboyance. *He encourages us to* narrow our attention more and *more to the expressive* essentials—to a sudden intercut of a smiling or sorrowing face, to a tableau of a landscape that swiftly, lyrically pinpoints the climate and the season.

*

Marco Vicario, director and co-writer of *Wifemistress*, should take some lessons in purposeful restraint from Ermanno Olmi. Set in the early 1900s, this overripe Italian blancmange of a film stars Marcello Mastroianni as a wine merchant and part-time anarchist who leaves his job and his wife after attracting suspicion in a murder *fracas*. (*Not he but an anarchist friend* killed the man by whose body *Mastroianni was seen*.) His hitherto bedridden wife, played by Laura Antonelli, promptly takes up her feminist freedom and walks: first going on solo forays into the country to track down her husband's former haunts and mistresses, then holding open house for the cultural and sexual élite of the neighbourhood. Mastroianni, meanwhile, holes up in an attic hideaway exactly opposite his former home and watches—with growing anxiety — his wife's confident self-emancipation.

Antonelli's doll-like face, deep-set eyes and haunted beauty *make a meal of* the best *role* in the film. But there is nothing that Mastroianni's charisma can do for a part that requires him to spend gloomy hours and days peeping out at the world from a garret. As a parable of *women's liberation the story* has the subtlety of a loudhailer, and *if you manage* to avoid being deafened by that, you must still run the gauntlet of the film's music. Every plot climax is crescendoed home by another surging variation on composer Armando Trovaioli's one-and-only theme. The Gate Two cinema has earned the right to the occasional aberration, but how this folly even passed their doors is a mystery.

*

The third film of the week to be set in the turn-of-the-century is Bruce Beresford's *The Getting of Wisdom*. Place: Australia. Time: 1900. Characters: the pupils and mistresses of a school for Young Ladies. The film is based on an autobiographical novel by Henry Handel Richardson (a lady), and it details the adventures of a lively young girl from a *country village who goes to a* boarding school in the city and fights a prolonged—and finally winning—battle with a teaching system that sets a higher premium on Etiquette and Conformism than on nurturing individual *talent*.

Although the film is made in the golden-glow groove of recent Australian cinema — *Picnic at Hanging Rock, Caddie etc.* — *director* Beresford (who made last week's *Don's Party*) *keeps the story just the right*, toughly human side of nostalgia, and spirits forth a plucky performance from Susannah Fowle as the heroine. Barry Humphries erupts somewhat needlessly as the school chaplain, but elsewhere there are few distractions from an engrossing story of growing up Down Under.

*

Erskine Childers's *The Riddle of the Sands* is one of the great adventure thrillers in the English language. The exploits of two batty Englishmen named Davies and Carruthers; sailing among the Frisian Islands circa 1900 (yes, again) and uncovering a giant German plot for a naval offensive on Britain, is written with a verve, wit and sense of atmosphere that put *Ian Fleming* and the post-Bond crowd in the shade. The book *is choc-a-bloc* with *yachting* lore, which in normal circumstances would cast me into a deep slumber. But Childers hooks the reader from the start and brings every technical detail to life.

So much for the book. The film misses the boat. Alas and alack there is hardly enough excitement here to ruffle a mouse. And who, pray, is the person responsible for casting Michael York—that unbending, all-weather public-school Apollo —as Carruthers, a role that calls for a mercurial touch and a daffy, almost Wodehousian Englishness? The other English*man is better, Simon McCorkin*dale as Davies. Mr. McCorkindale was last seen going up the Nile in *Death on the Nile*, and is evidently destined to be type-cast in watery roles. Jenny Agutter plays the villain's daughter with a becoming German accent, although in the name of female interest the role has been expanded way beyond its possibilities and now, instead of taking on a new centrality, merely looks obtrusively marginal.

As for the novel's great set-pieces—the wrecking of Davies's yacht, the journey to Memmert, the voyage with the Kaiser—the less said about how director Tony Maylam handles them the better. The film gives the impression, highly discouraging in a seagoing adventure, that the chief anxiety of cast and crew and director was not to get *their feet wet*.

"Fresh-cheeked and youthful." A scene from The Tree of Wooden Clogs

Collegiate Theatre

Lontano Ensemble by DOMINIC GILL

The excellent Lontano En*semble, now three years* old with an impressive list of premieres and (more important still) second performance to its name, offered another programme of new and recent music on Wednesday under the direction of Gregory Rose.

They began, unconducted, with a neat, fine-grained account of *Eleven Echoes of Autumn 1965* for piano, violin, clarinet and flute by the American composer George Crumb—who excels, whatever the size of ensemble, as jigsaw-puzzler and colorist: a knit of small patterns and timbres, and often very striking instrumental combinations, simply and prettily dovetailed. The writing may sometimes seem a little facile, over-decorative: *but there is* a marvellous fluency to the move*ment*, and everywhere a lively ear for simple, unusual effect—the tuneless breath of a clarinet matched with a dark bass piano-cluster; a flute melisma fluttering against finger-damped piano notes; a strain of high violin harmonics stepped in thirds with a flautist not playing, but whistling.

Morton Feldman's The Viola in my Life (2) is, like most of the other pieces in his life, slight and *mezzoforte*, and *makes most of its effect* by the repetition of *tiny, slightly varied*, and always very quiet, ostinati. In the concert hall, that effect is unexceptionable, minimal, and actually pretty dumb—though presented as part of a university post-graduate thesis, *Viola* could just merit a pass.

The evening's new work, *A Psalm and a Silly Love Song* for soprano, mezzo and six instru*ments by Roger Marsh (b 1949)*, was in its own way just as *simply crafted* as the Feldman, but made of tougher metal entirely. I liked its starkness, and its lively sense of fantasy —two settings of extracts from Psalm 39, delivered by turns as breathless gossip, wistful murmurs, or sung out firm in strong prime colours, enfold a little pattering, twittering, soaring love-song. A quick, pungent piece, around 17 minutes long, that deserves the support of another performance soon.

Last of the Lontano's programme was a *fully* staged presentation of Peter Maxwell Davies's *Eight Songs for a Mad King*. David Wilson-Johnson is the latest in a long line of Mad Kings that began in 1969 with Roy Hart, and reached its high point two years later in the remarkable assumption of William Pearson. Wilson-Johnson's was an accomplished, and admirably scrupulous and precise performance—that also *lacked the one vital ingredient* of nobility, a grandeur and dignity in madness, which Pearson so memorably caught. Wilson-Johnson's reading was often funny. Pearson's was funny, too: but no one laughed.

Wigmore Hall

Colin Carr by MAX LOPPERT

Not many of Kodaly's folk-inspired compositions achieve *the rigorous concentration of* form or passionate vein of expression that *informs* the sonata for unaccompanied cello, op. 8. It remains one of the major tests of virtuosity for the *cello: but the player who progresses* a stage beyond simple accomplishment in the face of its formidable technical hazards (high trills and harmonics, multiple stopping, fantastic "folk" arabesques and embellishments, and so on) can make the music sound out as a *statement of Kodaly's artistic* faith.

The music sounded out that way in Wednesday's cogent, richly coloured, emotionally powerful reading by the young English cellist Colin Carr. Mr. Carr had given the work on the same stage *previously, during* a Gulbenkian Foundation prize-winners' recital two years ago. What was then a promising and painstaking effort has matured and deepened—no less keen in sound, but now far more alive to meaning. Mr. Carr's shaping of phrase was rhythmically free, *as the score suggests it should* be; a contained urgency of expression lit up *the* quietest musing, and carried the dance of the third movement to the edge—but never over the edge —of wildness.

This was a remarkable performance. In the first half of the recital, the *pianist* in Beethoven and Schubert sonatas *was Kathryn Stott*, a well-schooled player of refined sensibility, who seems as yet to lack the freedom, the lyrical inventiveness, of Mr. Carr's musical impulses. The difference of approach in the *Arpeggione* Sonata was notable: the cellist played with Schubert's *poignant phrases*, always keeping them in flow, while the *pianist appeared* content with sweetly restrained statement.

Arts news in brief

Wexford Festival Opera celebrates its 27th season with a staging of three works in the Theatre Royal: *L'Amore dei tre re (Montemezzi), October 24*, 27, 30, November 2; *La Vestale* (Spontini), October 25, 28, 31, November 3; *Crispino e la Comare* (Ricci Brothers), October 26, 29, November 1, 4.

Fringe events include: Festival Tours, Sculpture and Antiques, Antique Fair, Floral Exhibitions and *Arrangements*, Marine Exhibition, Rugby *Match*, *Window Display* Competition, Sea Angling, Concert of Irish Music, Fashion Show, Singing Pubs Competition, Fireworks, Bands, Road Races, Sailing Races, Hurling, Water Ski-ing, Golf, Interior Bar Decor Competition, Lectures, Race Meeting, Festival Ball.

*

An exhibition of sculptures on the theme Freedom of Spirit, will be held in Bristol Cathedral for a fortnight from October 10, before it moves to St. Paul's, London. Works by more than 40 sculptors are expected to be shown, including pieces by *Henry Moore*, *Barbara Hepworth*, Lyn Chadwick and Reg Butler.

The exhibition, devised by the sculptress Naomi Blake, is being organised to raise money for Amnesty International.

The Arts Council will make three grants to increase the value of literature prizes administered by the Translators' Association, in addition to the topping-up grants for literature prizes announced in March. The new grants include money *for administration* and fees to judges.

A *grant of* £580 has been offered to the Scott-Moncrieff Prize for translation from French. The Schlegel-Tieck Prize, for translation from German, has been offered a grant of £250, and £200 has been offered to the John Florio Prize for a translation from Italian.

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Role of the institutions

MR. EDMUND DELL, the former Secretary of State for trade, put up a firm defence of the status quo in his address to the National Association of Pension Funds yesterday. Nationalisation of the institutions is not one of the political possibilities, he assured them; but an excess of government control might remain a danger. Meanwhile, the institutions should preserve their present role and structure eschewing concentration, and resisting calls to intervene directly in industry. They might, however, seek an improved role for outside company directors.

Significant

Apart from the fact that the potential threats from some Labour government might be still more remote had Mr. Dell himself remained active in politics, his comments do seem rather more bland than the facts demand. Thanks to the operation of forces quite beyond their control, the institutions have been thrust into a far more central role in the economy than they were devised to play, and it is perfectly legitimate to ask how far they are inclined and equipped to play that role to its full potential. They are, as the latest quarterly figures confirm, now responsible for the investment of some five per cent of the entire national income, and the way they manage this vast flow of funds must be significant for the whole economy.

If this flow were the measure of their past success in the selection and management of assets, then their size would offer its own answer to potential critics; but this is not the case. It is a combination of tax privileges and inflation which has been mainly responsible for their growth.

Indeed, a large part of the reason for their vast cash flow at present is the fact that assets bought in the past did not perform well enough to cover their inflated obligations (this is not a criticism, but a fact) so that enhanced contributions were needed to make up the deficiency. At the height of the crisis their demands were a major burden on company finances. It is ironical to reflect that should a future Government be successful in reducing inflation to pre-crisis levels, the funds may well swing into surplus on the income of high-yield Government debt, with profound implications both for industrial cash flow and for fiscal policy.

It is this dominant role which has provoked Labour ministers to flirt with the idea that a proportion of their investment should be directed, as it was under the old Trustee Acts, and is in many other countries; in the event, the fear of direction has induced the funds to take up government debt in such an orderly fashion that there is no need for it. Perhaps the more pertinent threat comes from some critics on the Conservative side, who have suggested reducing or eliminating the tax advantages of contractual saving, in the hope that private individuals will be more enterprising in the use of their funds.

The demand most often heard, as Mr. Dell said, is that the funds should take a more active role in managing the companies in which they hold an interest. The most common answer is that the funds are ill-equipped for such a role, which is unhappily largely true, but begs the question of whether they should be so equipped. Secondly, as Mr. Dell conceded, a fund which tried to get the necessary management information might fall foul of the Bill on insider trading which his department put forward; the fault, as he admitted, may be in the Bill.

Aggressive

The central fact remains: many funds continue to believe that their role is simply portfolio management, when in fact as an industry they have long outgrown such a role, and can only swap counters among themselves. Some institutions have shown a new aggressiveness in public; but it is mainly in raising technical points on financing. Others claim that they are gingering up management by stealth. This is in some cases true, but their very stealth prevents them answering their critics. Greater openness, and a greater interest in adapting to a more active role, would serve the institutions better than stonewalling.

The Gaullist dilemma

THE LATEST series of outbursts by the leader of the French Gaullist (RPR) party M. Jacques Chirac against President Giscard d'Estaing appear to be doing more harm to the image of M. Chirac as a potential President than to anyone else. M. Giscard d'Estaing himself may well feel that the shrill and nationalistic tone adopted by M. Chirac in his attacks on the Government's European policies is doing more to isolate the Gaullists on the right wing of the French political scene than anything he could engineer from the Elysee Palace.

The occasion of the present polemics is the election to the European Parliament in June. The Gaullists failed to force the Government to postpone the elections while they sought a firm commitment from EEC Governments that the directly-elected Parliament would never receive new powers. The French Government said that the present system of EEC decision-making effectively protected national sovereignty in any case.

National lists

Traditionally France votes on a first-past-the-post system over two rounds of polling. This permits right or left-wing opponents in the first round to sink their differences behind a common candidate for the run-off. But the European elections will be decided by proportional representation with electors voting for national lists put up by each of the parties. This will provide a precise test of each party's popularity.

The President is hoping that his own Union pour la Democratie Francaise which occupies the centre-right will outdistance the Gaullists. If, as expected, the Socialists outpoll the Communists on the left (in fact, they are likely to emerge as the biggest party overall) M. Giscard d'Estaing will be able to claim that France wants to be governed from a broad centre which draws upon moderate conservative and social democratic ideas.

This prospect of a Presidential "slide to the left" is anathema to the Gaullists. But their ability to manoeuvre on the European issue is limited by the existence of an extreme nationalistic faction which regards the Gaullists as the only guardian of French independence and nationhood and is profoundly suspicious of anything smacking of accommodation with the U.S. or, indeed, European integration. The spokesman for this sentiment is M. Michel Debré, the most faithful of General de Gaulle's prime ministers. He will occupy the second spot on the Gaullist Euro-list behind M. Chirac.

Gaullist discontent with the Government's economic policies has not been very coherent. But on the European issue M. Chirac has chosen to adopt an extreme nationalist position and will campaign on the platform "The defence of French interests in Europe." He has even suggested that if M. Giscard d'Estaing backs his own UDF in the elections and the UDF fails to win a majority of votes (which, of course, it cannot hope for) the President's own legitimacy will be destroyed.

But many observers think that it is M. Chirac's credibility that is being destroyed. The Gaullists, the largest party in the National Assembly, could bring down the Government at a stroke by making common cause with the left in a vote of censure and precipitating a general election. But this might have disastrous consequences—notably the election of a Socialist-Communist majority—so M. Chirac limits his war to words.

Party policy

M. Chirac is alienating some of his own party, notably the group of Gaullist Cabinet Ministers, both by the stridency of his attacks on the President and the dictatorial way he makes party policy. After all, what does he do after the European elections, they ask? The Presidential election is not until 1981. M. Chirac cannot spend two years solidly abusing the Government while maintaining it in office. There will come a time when he must either go for broke and force a general election or concentrate on restoring a constructive and modern image for his own presumed bid for the Presidency.

M. Chirac is an intelligent and energetic man — his actions as *mayor of Paris show that*—but his present behaviour on the national scene seem to be looking himself into a corner from which he may find escape difficult. Perhaps M. Chirac's dilemma indicates that the Gaullists have still not achieved the *transition from movement* which thrives on a constant flow of adrenalin, to a solidly rooted *party* which allows the leader more time for reflection.

Ford Motors' new strategy for Europe

BY LISA WOOD

AN UNEASY mixture of disappointment and relief has settled upon Europe in the wake of Ford's unexpected decision to scrap plans for a new $850m assembly plant on this side of the Atlantic.

Relief comes from France, one of the two main contenders for Ford's green-field assembly plant. Renault and PSA Peugeot - Citroen, the two national car companies, will now probably press ahead with their plans for new projects in Lorraine which, they said, would have been jeopardised had the French Government made a deal with Ford.

Disappointment has been Austria's response to the decision. In recent months it had been the favourite for the new plant. The ruling Socialist party, facing a general election on May 6, offered Ford a £150m grant for the plant plus a free site.

Was the decision to scrap the new plant a case of cold-feet on the part of Ford of Europe, reluctant to commit itself to a one-model plant at a time of uncertain growth in demand? Or was it caused by a long hard look at the potential of its existing facilities?

Ford's history in Europe since the mid 1960s has largely been a success story. In the early 1960s it had two major European assembly plants: in Britain and in Germany. The two were developing on entirely independent lines. Even the engineering principles differed. Ford believed that the potential European market required a rationalisation of products and in 1967—with the formation of Ford of Europe—it introduced the principle of pan-European design and manufacture.

For cars, there were five basic models which could be adapted to meet the special preferences of each country. So where costs were highest—in tooling, design and development—the company got the advantage of economies of scale.

With the opening of the Spanish plant in the mid-1970s Ford expanded both its manufacturing capacity and its model range within a closely integrated European operation. Its share of the European car market has climbed from 8.9 per cent in 1974 to 12.2 per cent last year and its manufacturing capacity, at around 1.5m cars a year, is second only to that of the Peugeot-Citroen-Chrysler combination.

At the beginning of last year the company began to develop plans for the next big expansion of capacity. On the basis of a 3 per cent annual growth over the coming five years through to 1983 Ford calculated that it would have a notional shortfall in capacity of 750 cars a day by 1983, increasing by 300 cars per day in each succeeding year.

Ford drew up three possible courses of action.

The first was to spend $250m on raising the capacity of the *Saarlouis plant in West Germany* to 1,800 units per day. Here Ford already had the facilities to make more than one model and the aim would be to raise Fiesta production and to introduce a new version of the Escort, the Erica for which engines are to be made at Ford's new plant at Bridgend, South Wales. (Part of Ford's plan to invest £1bn in Ford UK includes conversion work at Halewood in Lancashire to produce the Erica model.)

The second option was to double the capacity of the *Almusafes plant in Spain* to 1,800 units a day. Total investment was estimated to be $450m and 5,000 jobs would be created, plus a similar number indirectly.

The third option which Ford finally settled upon—after little response from the Spanish government from which Ford had asked for substantial support—was to develop a new assembly plant in a country with no large-scale Ford manufacturing presence.

There were lengthy discussions with France. President Valery Giscard d'Estaing threw *his weight behind* the bid to bring the new plant to the run-down steel-making region of Lorraine. But then the French Government appeared to lose interest. An important factor was that the two French car giants—Renault and PSA Peugeot-Citreon—joined forces to block the bid. They offered to provide 8,000 jobs in the Lorraine area.

Ford then gave more attention to Austria. The plan was to import the engines and gear-boxes, while the bodies and other parts, about 40 per cent *of the total value*, would be produced in Austria. It was estimated that 8,000 new jobs would be created and the plant *would have* a capacity of 1,000 cars a day by 1982.

But then, suddenly this week, Ford announced it was scrapping the new plant and would increase capacity at some of its existing assembly plants both for existing models and the new Erica which is eventually to replace the Escort.

Ford has said that this decision is not a result of any revised estimate of projected demand for its cars. It repeats that it still anticipates a 3 per cent per annum growth in sales for new cars in Europe and that its penetration will increase.

The company does talk about the need for additional flexibility—that is, not put all its eggs in one basket for a development which would have largely concentrated on the production of one model.

Ford said: "If we had gone for a new plant in Austria or France it would have been a complete package. To make it economical that plant would have concentrated on producing one vehicle — the Erica model.

"But by developing the existing plants we will have greater flexibility and expansion will not just be for the Erica. By the mid 1980s we will be dealing with replacements for other models."

In effect, Ford is hedging its bets. First, by gradually expanding existing plants it can make incremental investments. This is particularly important because the parent company in Detroit has said that Ford of Europe must fund new developments out of its own resources.

Secondly, it will be able to invest in a more flexible way, instead of going for a single-model plant.

Ford has strongly denied that its decision not to proceed with a new plant was in any way influenced by insufficient financial inducements from European governments. It points out that the important factors are a country's economic stability, its labour relations and its strategic position in the European market. But there is no doubt that government financial assistance plays some part in Ford's investment decisions. Last year Canada gave the Ford Motor Co. of Canada C$68m to build a C$533m engine plant at Windsor, Ontario.

Ford has said it would be some months before it decides which of its European assembly plants would be expanded. It has said that previous plans to raise the capacity of the Saarlouis and Almusafes plants "must figure among the options available."

The Almusafes plant must be a likely contender with a record of high productivity, although the company has had problems with its labour force there. Not only has Spain relaxed its "Ford Law" — which had restricted Ford's sales in Spain to no more than 10 per cent of total previous year's registrations—but it has also allowed motor manufacturers in Spain to import cars provided they can prove it is to rationalise existing production.

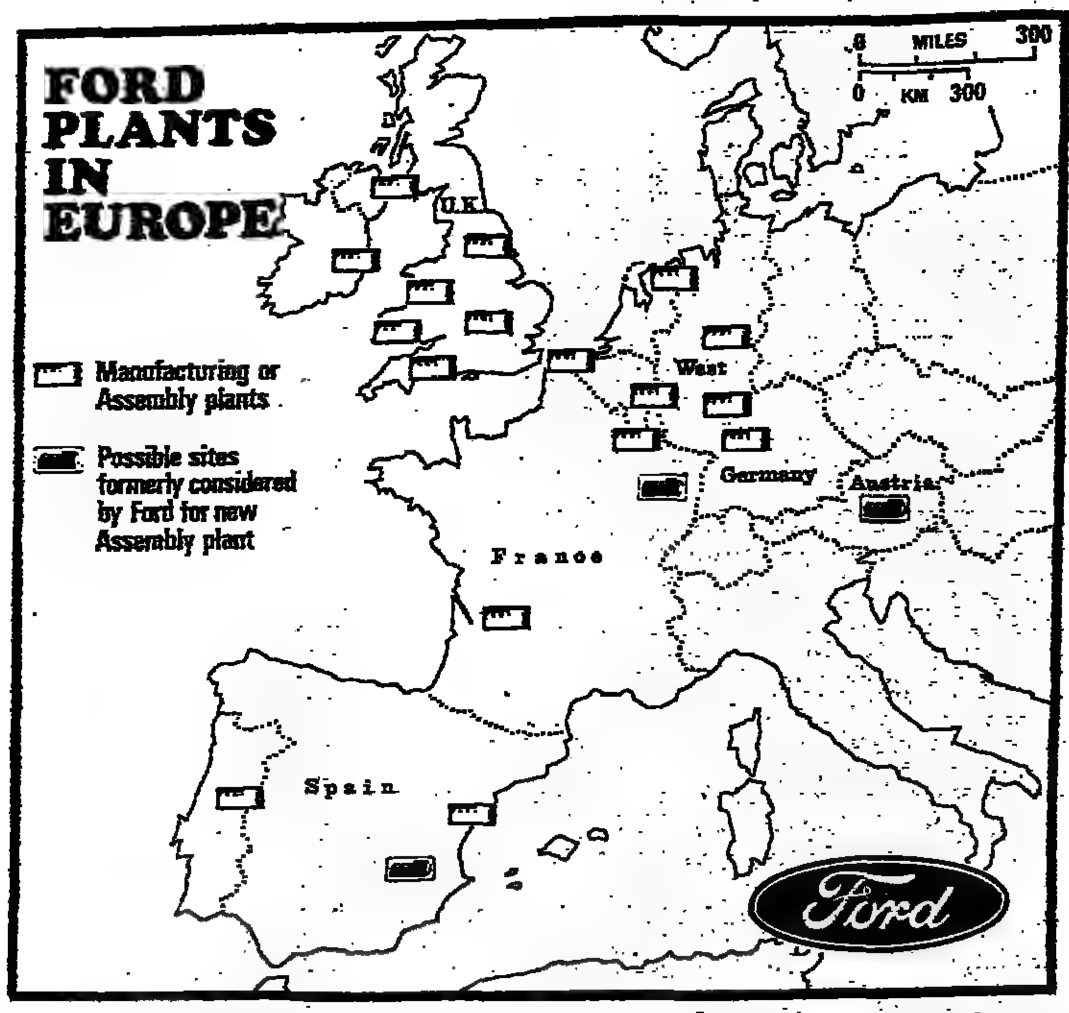
Southern Europe is an area of growth in demand and it is believed that the Erica model is one which will appeal to that market.

Ford is unlikely to expand production any further in the UK where it is already committed to a £1bn investment. Not only is there underutilisation of capacity in Britain but there is also lower productivity than in comparable European plants as well as lower market growth forecast than on the Continent.

FORD CAR ASSEMBLY

	No. of cars per day	Type	No. employees
Cologne	1,300	Capri, Granada	31,000
Cork	100	Cortina	1,100
Dagenham	800-900	Cortina, Fiesta	28,000
Genk	1,200	Taurus	11,750
Halewood	960	Escort	14,000
Lisbon	30	Escort, Cortina	700
Saarlouis	1,100	Escort, Fiesta	7,900
Valencia	1,100	Fiesta	10,000

N.B. There is no correlation between output and number of employees as many plants involve more than just assembly.



A sharpening of competition

BY GEOFFREY OWEN

FORD'S decision not to go ahead with a new assembly plant on a green-field site will bea relief to those in the industry who are worried about over-capacity. Although the European car market has recovered faster than many people expected from the post-1973 recession, especially in Germany and France, the outlook for the next few years is unexciting. In the view of Eurofinance, the Paris-based research organisation, the market is likely to grow between 1978 and 1985 at a rate of 2 to 2.5 per cent a year. This will raise registrations from last year's figure of 10.4m units to around 12m units by 1985.

The key question, however, is how much of that market will be supplied by imports from outside Europe. The Eurofinance study suggests that imports could increase from the present level of around 850,000-900,000 cars a year to some 1.2m cars a year by 1985. At the same time European manufacturers will have difficulty in maintaining their exports to non-European markets, especially the U.S. Volkswagen is in the process of shifting its production for the U.S. market to its American plant, and other companies could follow suit.

If Eurofinance is right in thinking that Europe's car exports to non-European markets will drop from the present level of around 1.6m-1.7m units a year to some 1.2m units a year by 1985, then the scope for increasing production in Europe is extremely limited. From the 1978 figure of 11.1m cars produced the increase to 12m in 1985 amounts to a growth rate of little more than 1 per cent a year.

The capacity of the European motor industry is probably already not far short of 12m *cars a year. The bulk* of that capacity is accounted for by the six big European manufacturers — Peugeot/Citroen/Chrysler (over 2m), Ford, Fiat, Renault and Volkswagen (all with a capacity of about 1.5m cars) and General Motors (about 1.1m). Well below the 1m mark comes BL, followed by the specialist companies — Daimler-Benz, BMW, Volvo, Alfa Romeo and Saab.

In these circumstances any additional capacity which Ford or anyone else decides to build will have to be filled largely by taking market share away from other manufacturers. There will be intense pressure on companies to make better use of their existing capacity and to reduce costs by using common components produced in very large volume. It is this pressure which underlies both Peugeot's purchase of Chrysler's European operations and the numerous moves towards collaboration between European companies in producing engines and other key components.

The search for economies of *scale may well be extended* from a European to a global scale. There have been reports that General Motors intends to use its Japanese associate, Isuzu, as well as its two European subsidiaries, Vauxhall and Opel, in the manufacture of components and sub-assemblies for a new range of small car which would be assembled and sold in a number of locations throughout the world. Under such an arrangement the precise "nationality" of a car, assembled in, say, the UK or Germany will be even more difficult to pin down than at present.

Predictions about how many cars will be produced in Europe and in which countries are subject to great uncertainty. The figures given in the table may need to be amended in the light of the Ford decision not to set up a new plant in France, but there is still a possibility that General Motors may build an assembly plant in France or somewhere else in Europe. Competition among European countries for what ever new motor industry investment is available will certainly continue.

THE EUROPEAN CAR MARKET
(millions of units)

	1978 actual	1985 projected
Registrations	10.4	12.0
less imports	0.9	1.2
	9.5	10.8
plus exports	1.6	1.2
Production	11.1	12.0

PRODUCTION BY COUNTRY
(millions of units)

	1978 actual	1985 projected
West Germany	3.9	3.5
France	3.1	3.6
Italy	1.5	1.7
U.K.	1.2	1.5
Spain	1.0	1.3
Others	0.4	0.5

Source: Eurofinance

MEN AND MATTERS

Right touch for the type caste

The girls with well-manicured nails adorning the offices of the future will do almost anything except type, according to Desmond Pitcher, 43-year-old managing director of Plessey Telecommunications: "Most secretaries who have worked for me don't like typing anyway," he says matter-of-factly.

The person at the machine will instead be the executive himself. In the chip-infested 1980s, asserts Pitcher, the dictation, transcription and communication of the information in the executive's head will simply be too laborious. Instead he will have to learn to tap out his messages on video and telex machines if he wants to get things done quickly.

People working in Plessey's four major research development establishments spread around the UK are already doing just this, having undergone a short in-house training scheme. "The biggest problem," says Pitcher, "is not typing, but learning to spell. A lot of executives have not done much direct writing for a long time." It is a significantly different situation from that in Europe and the U.S., where an inability to type is not a status symbol. And with the ever-increasing cost of female labour in the UK, attitudes are changing here too, he insists.

To persuade his staff just how masculine typing can be, Pitcher is pictured in glossy colour on the front page of a Plessey house magazine with his fingers spread expertly over a video keyboard. Can he actually do it? I asked. "With one finger . . . I haven't had time to do the training scheme."

"Bearing in mind the effect on the pound your answer may have, which party are *you going to vote for?*"

Weighing it up

The loyalty of British bureaucrats working in Brussels is being put to a singular test. This is posed by a Commission scheme which tries to ensure that employees who send some of their salaries back to their home countries shall not reap a "benefit" from varying living costs. Inessence, the Commission wants its staff—paid in *Belgian francs*—to have the same purchasing power for remittances, whatever the currencies these are converted into.

The Commission sets out its new measures in an internal memorandum, 1X/515/79-EN; laying down "weightings" for the *various member countries*. The weightings adjust the exchange rates according to the cost of living in Belgium and a particular country. Thus, although the commercial exchange rate for the £ sterling at the base date (July 1, 1978) was Bfrs 60.76, *the salary transfer* exchange rate for Commission staff is Bfrs 97.22.

For a Danish employee of the Commission the system works in reverse, basically because Denmark's cost of living is higher than Belgium's: the transfer rate is lower than the commercial rate. The memorandum admits that the new formula "does involve the losss of certain unjustified benefits that some staff currently enjoy."

This is a veiled reference to a German staff of the Commission: until now they have enjoyed an advantageof about 25 per cent by sending money home through the previous Commission system—which was devised in 1965.

From now on, Germans and other employees whose home countries have living costs close to that of Belgium will have little to gain or lose. But the loyalty test weight most heavily upon British, Irish and Italians: rather than send money home through the EEC, should they just take all their pay in Belgian francs, and transfer it at the *going rate through a* commercial bank? In other words, how many British civil servants, many of them attracted to Brussels by the high salaries, will relish seeing the value of their "send-home" Belgian francs reduced by more than a third?

Awkward friends

Anxious to clear the decks for dealings with the Ayatollah's regime, the U.S. is in the near future expected to name its new ambassador to Tehran. The previous incumbent, William Sullivan, went back to Washington sunk in gloom after suffering the ultimate ambassadorial indignity — his embassy was ransacked by armed men.

The sacking of the embassy has *more immediate* consequences. The attack, blamed on left-wingers, was halted by the Islamic Militia and the embassy cannot now rid itself of a group of self-appointed guardians, members of the Islamic Mujahedin Guerrilla Group. Visitors to the embassy are surprised to find themselves interrogated by a portly man with a beard who sits in the gatehouse under a portrait of Yassir Arafat.

It is thought that Congressional approval for the new envoy rumoured to be Walter Cutler from the Zaire mission) will be withheld until the men in camouflage tunics can be persuaded to go away.

Zillmer awakes

You can't keep a good man down. I mentioned some time ago that the ruminations on insurance accounting of Doctor August Zillmer (1831-93), as interpreted by the European Commission, have helped cure insomnia in certain quarters.

This provoked, among others, a letter from Karachi to say that the unlikely word "Zillmerize" had figured in a quasi-political campaign. And far from curing insomnia, writes yet another correspondent—this time from Stuttgart—Zillmer has been keeping him awake at night. "Finding a short definition of 'zillmerizing' induces insomnia, instead of curing it," writes Rudiger Rietig. His effort I find, however, fairly soothing: especially if repeated a few times: "Method of calculating the premium reserve whereby the *amortisation of the acquisition* cost is taken into account."

Casting votes

It may be a wild coincidence, of course, but of the seven British Steel Corporation men now at the hustings not one is standing for Labour—a contrast to 1974, when there were two.

This time, two of the candidates are standing against each other—John Jeffreys, who for 22 years has run the shipping operations on Teesside, is campaigning there as Tory candidate. Fellow steelman Nicholas Patmore, a computer programmer, is the Liberals' somewhat fainter hope.

There is one more Liberal, a foreman in the Ebbw Vale loco *sheds, and two more Tories*—a Welsh security officer and a foreman from Port Talbot. A 60-year-old Scottish Communist is trying his luck in Motherwell for the fifth time. And the BSC workforce is also fielding a Workers' Revolutionary Party candidate who works in the Redcar coke ovens complex.

Observer

BL's DECISION TO CLOSE BRITAIN'S ONLY INDEPENDENT SMALL COMPRESSOR PLANTS POSES PROBLEMS

BY HAZEL DUFFY

The doleful Prestcold conundrum

HY HAS Prestcold, a company which has specialised in frigeration equipment for er 40 years, decided that it n no longer stay in the siness of making small compressor units? The effects of e decision, assuming it goes ead, will be to make itish refrigerator manufacrers almost wholly dependent imported compressors, and add another 900 people to asgow's dole queues.

The issue unexpectedly came a head two weeks ago when e Government learned that estcold was about to issue -day redundancy notices to e employees at its Scottish ctory. As a means of delaythe notices at a politically nsitive time, Mr. Eric Varley, Industry Secretary, sent a aft directive to the National nterprise Board instructing it take over Prestcold from its rent company, BL. That draft rective is to be considered by e Board of the NEB today.

BL decided last autumn that could no longer support e two factories in Scotland. th are situated in Hillingn, Glasgow. There is one nt making compressors for mestic refrigerators and ezers, and commercial products such as food display ses, and the David Scott nt, which makes a range of lves and refrigeration comnents.

The two plants have a turner of between £15m and 0m, which represents about per cent of Prestcold's total rnover. In the past two years, ey lost more than £1m, and the current year are heading for an estimated loss of tween £1.25m and £1.5m. ese losses have been made spite of Prestcold being the ly independent source of all compressor units in the untry (Lec has in-house comessor facilities).

Prestcold says the reasons for the losses are growing international competition and poor productivity at the Scottish plants. Simultaneously, the British refrigerator manufacturers have been suffering from poor demand.

Faced with these competitive pressures, refrigerator manufacturers like Thorn, Electrolux and Kelvinator must seek the lowest possible price for their components. The compressor represents about one-third of the material costs in a one-door refrigerator, so it is an important element in the manufacturers' costing. Compressors are currently selling on the UK market at between £16 and £16.

Competition from other European compressor manufacturers is intense. It comes mainly from Italy, which has a big domestic appliance industry of its own. The two main compressor companies are Necchi and Aspera. The French are also very competitive. But the biggest European manufacturer is Danfoss, a big engineering company in Denmark.

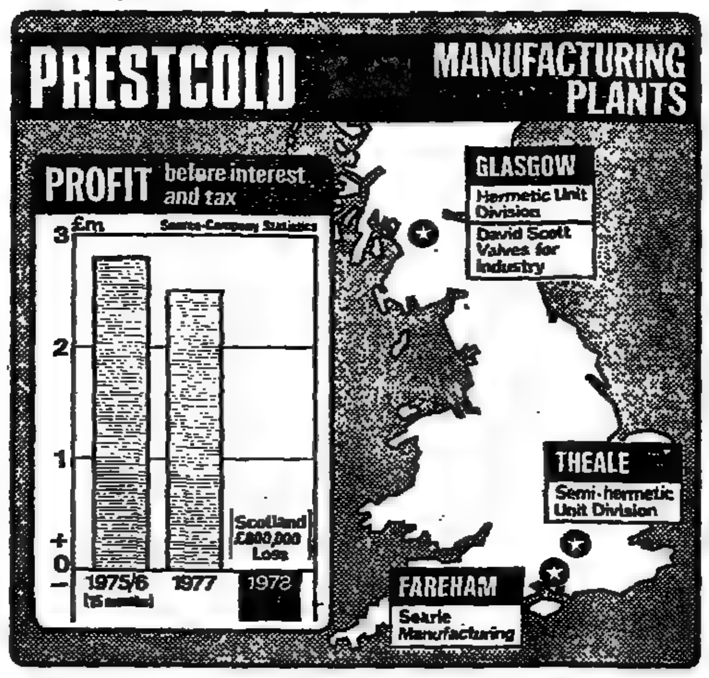
Contrast

The contrast between Danfoss and Prestcold makes an interesting example of the factors that are needed to keep a company competitive. Denmark does not have a big home market, nor does it have a large domestic appliance industry. It is also a high-cost country in comparison with Scotland, where wages are much lower.

Danfoss's answer has been to invest heavily in both production methods and technological development. Some of its production lines are fully automated, and it was the first on the market with a compressor unit which has set the standard for the direction that the rest of the industry must follow. The TL compressor, introduced two years ago, is quieter, lighter and more energy-efficient than anything that the other manufacturers have to offer.

It is a measure of the degree of competition in the market, however, that Danfoss has not been making any profit on its small compressor units for the past year. The new element which the industry says is undermining the European market is competition from Japanese companies. The Japanese have already had considerable success with compressors in the Middle East and North America, and now seem to have set their eyes on Europe. The industry says their prices are often 20 per cent below those of the Europeans—made possible by manufacturing in Singapore.

It is against this background that Prestcold says it would need to invest £8m to make its small compressor plant competitive and that at the end of the day it would still have no guarantee that it could make a profitable return on this investment. The company argues that it makes much more sense to concentrate on its more profitable activities in commercial refrigeration equipment (cold stores, supermarket freezers, etc.), heat exchangers and air conditioning equipment. Prestcold also has a contracting division installing freezing and other equipment, which is probably its most profitable activity.



The company's financial progress under BL ownership, however, has not been particularly satisfactory. This is in spite of Prestcold having a very strong position in Europe in products other than small compressors. Also in the UK, it is the only large producer of commercial refrigeration equipment, and even in Europe, conditions in this field are much less competitive than for small compressors.

Prestcold, originally part of Pressed Steel Fisher, had been seen as a peripheral interest, but in the late 1960s, Leyland surprised the stock market when it decided to expand its refrigeration interests by making an offer for L. Sterne and Co. This brought the small compressor plants at Hillington into Prestcold. Two years later, Leyland sold off Sterne's heavy industrial refrigeration equipment interests to Hall-Thermotank, a move which resulted in 400 redundancies, also in Glasgow.

As part of the Leyland Special Products engineering division, which embarked on a rapid expansion programme in the mid-1970s, Prestcold set about acquiring new interests. In 1976, it paid £3.8m for Searle Manufacturing, a subsidiary of Hall-Thermotank making heat exchangers for commercial refrigeration and air conditioning equipment. Its main plant is at Fareham, Hants.

Prestcold acquired distributorships—including Gardiner Refrigeration and Air Conditioning—giving it control over the sales of its own products in the UK. Expansion schemes at Theale, Reading and Fareham were also undertaken. The whole programme had plenty to recommend it, but so far it has shown little in the way of profits growth.

The Hillington factories, which were profitable until 1977, have dragged down the group's profitability in the past couple of years. In 1973, the Scottish plants lost £800,000. The nature of Prestcold's business is cyclical and it is reported to be doing much better in the current year.

BL's policy towards its specialist engineering companies changed dramatically last December, when it moved some companies into Leyland Vehicles and left Prestcold and Aveling Barford on the outside. Since then, both companies have been put up for sale.

Prestcold is still up for sale, in spite of the NEB having been instructed provisionally to take it over. Several companies are having discussions with Prestcold, including three American. There is unlikely to be any opposition in Whitehall, or the NEB, to an American—or European—takeover of Prestcold as long as the company's manufacturing facilities are retained in this country.

Overhanging this rather bizarre situation is the future of the Scottish factories. Some of Prestcold's potential purchasers have not rejected the idea of these plants being included in the negotiations, but if BL is to get the best possible price for Prestcold then it would be better placed if it sold Prestcold minus the encumbrance of Hillington. The losses at the Scottish factories are being funded by the Scottish Office, not Prestcold, pending a decision on their future.

The Department of Industry, which with the Scottish Office is looking into alternatives to closure at Hillington, seems to have few choices. Its preference is obviously to keep the plants open. British presence in small compressors is not of strategic importance, but the policy of import substitution argues against closing down the plants, and 900 jobs in an area of high unemployment are at stake.

One possibility was to interest the domestic appliance manufacturers in putting up some money for Hillington. The largest purchaser of small compressors is Thorn, which takes about a third of Prestcold's production. Other customers include Kelvinator and, until recently, Electrolux, and some of the production is exported. If these three manufacturers would agree to make Scotland their first source of supply, then the investment programme could at least go ahead with a guarantee of enough sales to make it worth while. On the basis that Prestcold's small compressor output is only about 5 per cent of European production, such a guarantee from the home market would seem essential.

There is a suggestion that if such a solution could be found, Prestcold might get backing from the European industry in the form of technical assistance, the aim being to find a European answer to the Japanese threat. Such a solution, however, would require the domestic appliance companies to tie themselves to paying higher prices than if they used Japanese compressors—a tall order perhaps when there is so much competition for their finished products.

Hold back

Thorn is understood to have rejected the idea, partly because of the uncertainties over future markets (last year it had to close a new factory in the North East) but also because an earlier effort at collaboration with Prestcold came to nothing. Four years ago, the two companies agreed on a venture which would involve Thorn investing in capacity to make motors for compressors, and Prestcold investing in more modern facilities at Hillington.

Thorn went ahead, but in the meantime Danfoss came out with its new compressor, and Prestcold decided to hold back on its investment plans. Now Prestcold says it would require £8m to bring that plan into effect. This would be the cost of installing new equipment, and bringing into production its AO compressor.

The Scottish Development Agency has already rejected the idea of becoming involved in the project, and the NEB is of the same persuasion. The Department of Industry is therefore left with having to decide whether it would be worth getting the NEB to take another look at the situation. Alternatively, it just might be able to offer sufficient inducements to get Prestcold's customers interested.

The obstacles to a solution for a viable small compressor plant in Scotland are considerable. The delay in modernising the factories was a critical factor in the present situation, but part of the reason for Prestcold's hesitation was undoubtedly that it had had productivity problems in Scotland ever since it took over the factories.

Customers have complained about poor delivery and quality and others say that Prestcold was often not competitive on price. This has led to all the manufacturers (other than those that manufacture in-house) buying some of their components from overseas. Clawing back that business would involve a considerable effort. Furthermore, if closure of the factories is averted, it can only be done by cutting the workforce by between a third and a half.

It would not be surprising, therefore, if it were finally decided that the price for keeping a small compressor presence in this country was too high. But it would be ironic that such a decision came at a time when the high level of imported domestic refrigerators and freezers as a percentage of total sales showed a fall last year for the first time in three years.

Letters to the Editor

There's cash in conservation

From Mr. J. Platts.

Sir,—The potential for energy nserving developments is idespread, offering a great riety of employment opporunities in small and largeale companies, with an equal nge of investment opportunies. It offers a much faster te of return than any uivalent investment in energy pply technology, which is mited by its large scale, long ad-times and specialist nature, ith both Governmental and ade union interference.

On April 20 Geoffrey Charlish ported developments at Lucas d Ford, concerning microrocessor controlled inlet and haust valves, and direct, trol injection and controlled mbustion, each separately aiming about a 20 per cent provement in fuel consumpon. The Ford development aimed that it "could be available for public sale early in the 80s." A few days prior to at you reported a decision by illington to build a new fibreass insulation factory. Preumably this will be operational the early '80s too. There many other examples where pound invested today in ergy conservation technology ill give a financial return and ve energy far faster than any vestment in nuclear plant or new coal mine.

When there are genuine ternatives for investment in e energy business why is ere no serious discussion of ese alternatives? Your Leader April 23 actually only discusses energy supply policy. Of urse, the Department of nergy's thinking is constantly dominated by questions supply, and this shows in ings like the Green Paper. re you incapable of thinking ore critically yourself? It is ot merely a question of ternative investments but of ternative ways of managing large and growing slice of e economy. A vote for vestment in power supply evelopment is almost certainly vote for further and more etailed bureaucratic regulaon, be it the Central Elecicity Generating Board, the as industry or the British ational Oil Corporation. A ote for conservation investent is a vote for diffuse, free nterprise investment and ntrepreneurial action.

I recall, however, that you nnounced the introduction of e Department of Energy's nergy Paper No. 33 with zero omment, despite its bland nd self-congratulatory style of escribing what is actually a inimal effort to encourage hat could be a major growth ndustry. Equally, you coninue to dismiss almost out of and the best discussion of evelopment opportunities for n energy conserving industry urrently available: Gerald each uses a micro-analysis of nergy needs in place of the sual macro-analysis of energy upply forecasts, and naturally oncludes that these needs are est met by many individual hoices and developments, in a lassical market manner that hould delight many of your eaders. In this context, Government "policy" should e concerned with how best o lubricate such natural echanisms which are already enerating new energy saving products for and introducing them o the market place.

These matters are not mere items for cranky environmentalists but concern the way the whole of the energy business should be developed and managed in the years ahead.

Jim Platts,
3 Station Road,
Willingham,
Cambridge.

Minerals in reserve

From the President,
Cornish Mining Development Association

Sir,—Having seen Sir John Lomax's welcome letter (April 19) I would like to support his comments in every way, and more especially in relation to Cornwall, a county rich in minerals, which if properly worked could be of benefit to the national economy.

Having been a member of this association since 1948 I can assure Sir John that we have at all times endeavoured to convince Government and Opposition of the points which he has made. We have tried many ways but, I regret to say with little success as yet. It is therefore no surprise that Manifestos are silent on minerals.

In 1976 our chairman commented that "we can only conclude that the failure (of Government) to do anything stems from a lack of knowledge in Britain of the importance of producing minerals from our own resources in a world where we can no longer be assured of plentiful supplies at a price we can afford."

The lack of any national mineral policy causes concern and I can only hope that this correspondence may help to make politicians aware of the problems and the potential that is lying unused, and that positive interest and action will result.

The economic benefits would mean a saving in foreign exchange, lower dependence on imports, and above all employment opportunities in a wealth creating industry.

J. H. Brock.
Chy an Mor, Coverack,
Helston, Cornwall.

A misused carrot

From the Chairman,
British Farm Produce Council

Sir,—It is sad to reflect, is it not, that although farming is of unique importance, the sine qua non of any attempt to live in modern communities, it is nevertheless historically that part of the national life which is most misused in the quest for simile or example to describe human inadequacy or misfortune.

As dumb as an ox, as greedy as a pig, are familiar. Goats are silly, sheep easily led. Excess makes one fat as butter, gross injury would turn one into a cabbage. Cauliflower ears are the hallmark of inadequate defence; embarrassment will turn you beetroot. The precious earth itself becomes loutish when formed into clods.

Recently, ardent seekers of excuses for human greed, laziness and inherited weakness have set about animal products as scapegoats for a variety of ailments. This latest batch of evangelists replaces the now slightly old-fashioned anti-carbohydrate bunch, and will in turn, no doubt, be themselves replaced by the anti-vitamin, anti-trace element or anti-fibre brigade.

So far, though, the carrot, noblest of all roots not called Murphy, has escaped calumny. Or had, until April 6 when Swindon town advertising in your issue of that date announced in an arresting headline "Carrots can make you blind." Of course, we know what it means. Indeed we rather admired the ad. as an ad. But oh, the sadness of it all. For those of us who proudly pronounce on the glories of British farm produce know only too well how literally such a statement is too often taken.

It would have been bad enough if it had appeared in any ordinary newspaper but in the FT is little short of disastrous. For its readership is presumably those who still think there is a fortune to be made on the Stock Exchange and if they believe that they would believe anything. For them may I state the obvious—that I know of no evidence to suggest that carrots can make you blind, nor indeed do I believe that they do much to help you see in the dark valuable as that would be to speculating investors. But will they believe me? Alas, I am not at all agriculturally bullish on that—rather must I turn to the undomesticated bear for your better understanding of our distress.

Charles Jarvis.
British Farm Produce Council,
Agriculture House,
Knightsbridge, SW1.

Travelling by train

From Mr. R. Foster

Sir,—As one who travels well over 20,000 miles, per annum over all parts of the British Rail system, I can assure your transport correspondent (April 20) that the sharp decline in the punctuality of trains has also not gone unnoticed by passengers. I travel frequently to London via Leeds/Kings Cross or Preston/Euston and matters are now so bad that it is necessary, I find, to leave a margin of one and a half hours between the scheduled train arrival and an appointment.

I would disagree that outdated rolling stock is responsible to more than a small extent for this state of affairs. Punctuality is almost at its worst on the main lines to the north from Euston and Kings Cross, yet by and large these lines have the newest equipment. The root problems are in my opinion much more basic than that, such as: failure to ensure that trains depart from stations at the right time, thus causing them to lose their scheduled "path"; poor time-tabling; poor regulation by signalmen; too many temporary speed restrictions caused by engineering work; and a number of other smaller reasons for which both management and staff must take equal responsibility.

It is significant that timekeeping is generally at its best on the London commuter trains and on the Southern Region as a whole, yet the Southern Region and the Eastern Region from Liverpool Street operate the oldest passenger rolling stock in the country and the most dense passenger services in the world. So it can be done.

Robert H. Foster.
3, High Street,
Skipton, Yorkshire.

Areas on which to concentrate

From Mr. J. Hudson

Sir,—The Queen's Awards list published on April 21 gives a clear indication of what this country is good at. Surely these are the main areas we should concentrate on when the new Government attempts to put Britain back on course. A former Prime Minister is alleged to have said that there is nothing wrong with our trading position that a "flip through the trade returns wouldn't solve." Government aid and assistance to companies appearing in the latest Queens Awards list (and previous lists) would be equally relevant.

John Hudson.
11 Erleigh Court Drive,
Early, Reading, Berkshire.

Some historic figures

From Mr. J. Clayton

Sir,—The proof of the pudding is in the eating: the competing Party claims — as inflation-curbers and tax-reducers — can be put into proper perspective, by reference to their previous performance. The relevant data is available in official Treasury publications — the annual Blue Books of National Income and Expenditure; and "The Internal Purchasing Power of the Pound" (issued twice a year).

The post-war annual rates of inflation—so disclosed—are summarised in Table I.

I have also related total tax to GNP and personal taxes to personal incomes (Table II). The official figures for total tax are distorted by "taking-in-your-own-washing." that is Government taxes itself—currently at a rate of some £2bn per annum and I have corrected such distortion. The third column represents my correction of a more serious distortion: omission from the official figures of the most vicious tax, the robbery-by-inflation of pay, pensions and savings—currently at a rate of £50m a day.

In 1975 the effect of the 24.2 per cent inflation was to increase personal taxes to a swingeing 52½ per cent of incomes!

Jack Clayton.
19, Park Road,
Cheam, Surrey.

TABLE I

	Government	Annual average rate of inflation %	Post-war weighted averages %
1945-50	Labour	5.2	Lab. 9.0
1950-64	Conservative	3.2	Cons. 3.7
1964-70	Labour	4.2	
1970-74	Conservative	5.5	Overall 6.8
1974-79	Labour	16.5	

TABLE II

	Government	Total tax relative to gross national product %	Personal taxes relative to personal incomes as Blue Book %	Adjusted for inflation %
1949	Labour	39.6	29.2	41.5
1964	Conservative	31.8	28.5	34.0
1969	Labour	38.6	33.9	39.3
1973	Conservative	35.9	30.9	38.4
1978	Labour	38.9	32.0	49.6

Today's Events

GENERAL

UK: Mr. James Callaghan, the Prime Minister, on BBC TV Nationwide phone-in session.

Jetlink Ferries start hydrofoil service between Brighton and Dieppe.

London Chamber of Trade trade mission leaves for Egypt (returns May 4).

Scottish Trades Union Congress, Eden Court Centre, Inverness.

Amalgamated Union of Engineering Workers engineering section conference, Town Hall, Eastbourne.

Royal College of Nursing conference, St. Peter Port, Guernsey.

National Union of Journalists annual delegate meeting, Ayr.

English Bach Festival opens, South Bank Concert Hall, London (until May 5).

Mr. Anthony Frodsham, Engineering Employers' Federation director general, speaks at Association of European Machine Tool Merchants' Association dinner, London.

Civil and Public Services Association statement on civil service pay.

Overseas: European Parliament meets in Strasbourg, final day.

LUNCHTIME MUSIC, London

Piano recital by Marian Friedmann at St. Martin-within-Ludgate, 1.15. Recorded music by Tchaikovsky at Holy Sepulchre, Holborn Viaduct, 1.15.

COMPANY RESULTS

Final dividends: Allebone and Sons. Belgrave (Blackheath). Burrel and Co. Hammerson Property and Investment Trust. Hestair. Scottish Ontario Investment Company. Silhouette (London). Sunlight Service Group. Tarmac. Whatman Reeve Angel. Winn Industries. Interim dividends: McKechnie Brothers. Interim figures: Lockwoods Foods. Tricentrol (first-quarter figures).

COMPANY MEETINGS

Brittanic Assurance, Moor Green, Moseley, Birmingham, 12. Dufay Bitumastic, Winchester House, 100 Old Broad Street, EC, 12. Garton Engineering, Barr Hotel, Peartree Drive, Great Barr, 12. Inveresk, Connaught Rooms, 12. Lex Service, 17 Great Cumberland Place, W, 12. George Oliver, Murrayfield Road, Braunstone, Leicester, 12. Tomatin Distillers, Mayfair Hotel, Stratton Street, 12.15. Transport Development Group, Abercorn Rooms, Bishopsgate, EC, 12. Tricentrol, Great Eastern Hotel, Liverpool Street, EC, 12. Weber Holdings, 63 and 65 Piccadilly, W, 4. Woodhouse Rixon, Tapton Hall, Shore Lane, Sheffield, 11.45.

Vickers falls to £11.7m but sees upturn this year

THE ABSENCE of shipbuilding and aircraft profits, a setback in Canada and heavier offshore engineering losses have combined to cut profits of Vickers from £25.06m to £11.7m in 1978.

Vickers Canada has been sold and agreement reached with a consortium led by the National Enterprise Board for the sale of the offshore businesses and undertakings. The directors anticipate that the group "shorn of its loss-making activities will earn much-improved profits in 1979."

This was despite poor trading results in January and February caused by the general industrial disruption.

The directors say the cost of withdrawal from the offshore business has been heavy and it has also been necessary to make substantial provisions for the closure of the Scotswood works and other reorganisation costs. These are mainly reflected by extraordinary items totalling £18.25m. After these items (£5.06m) and other charges there is an attributable loss of £11.94m against £8.54m profit.

Earnings £1 share are shown down from 30.2p to 13.6p but the dividend is being maintained at 9.81p net, with a final of 5.96p.

	1978 £000	1977 £000
Sales	391,355	*409,388
Trading profit	19,729	†26,617
Investment income	369	273
Net interest payable	8,431	9,795
Profit	11,667	17,095
Share of assocs.	84	‡7,966
Profit before tax	*11,751	25,061
Taxation	4,272	10,043
Net profit	7,429	15,018
Minorities	1,116	1,419
Net balance	6,313	13,599
Extraordinary debits	18,254	5,061
Attributable loss	11,941	8,538
Dividends	4,678	4,675
Loss retained	16,619	§3,863

*Includes shipbuilding sales £59.14m. †Includes shipbuilding trading profit £3.4m. ‡Includes share of profits of British Aircraft Corporation £7.97m. §Profit.

Commenting on the results the directors say that particularly notable was the performance of the UK engineering group which again achieved record profits. Australia, however, suffered a setback due to depressed demand for capital equipment in the mining industry.

Howson-Algraphy, although experiencing keen competition, also produced record profits and was able to increase its penetration of the lithographic printing plate market.

Following the major reorganisation within Roneo Vickers the upward trend in trading profits has been maintained, largely due to increased operating efficiency.

Payments on account of compensation for the nationalised businesses amounting to £28.45m—£8.430m for shipbuilding and £20m for the 50 per cent share of British Aircraft—have been received, together with interest thereon of £3.9m.

The directors say that although some progress has been made in negotiations to agree compensation, they are disappointed that these discussions are still not finalised. When agreement is reached, stockholders' funds will benefit from interest, accrued from vesting dates, on further payments and will also be adjusted to reflect the difference between the remaining book value of these assets (£39.147m) and the amounts of the final settlements.

In accordance with SSAP 15 the tax charge includes ACT on dividends payable together with deferred tax on timing differences where there is reasonable probability that such tax will become payable in the foreseeable future. The comparative figures for 1977 have been restated.

SSAP 12 has not been adopted in respect of freehold and long leasehold buildings and accordingly no depreciation has been provided on these fixed assets. A professional revaluation of these buildings is now in progress and when complete, the depreciation policy in respect of these fixed assets will be determined.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Albany Trust	0.89	June 28	0.77	1.34	1.17
Amal. Power	2.95	July 4	2.64	5.9	5.28
Anglo-Scottish Inv. ...int.	0.8	July 2	0.7	—	1.8
Border Breweries	2.59	July 6	2.54	3.91	3.5
Border and Southern int.	0.7	May 31...	0.55	—	1.7
British Assets ...2nd qtly	0.7	July 3	0.55	—	2.4
Brook St. Bureau	2.22	—	2.02*	3.1*	2.8*
Chesterfld Pr. ‡2nd int.	2.5	—	2.24	4.46	4.03
Copydex	1.71	June 8	1.54	2.46	2.24
Dowding and Mills ...int.	0.59	June 6	0.55	—	1.2
Ellis & Goldstein 2nd int	1.16	June 6	1.02	2.13	1.92
Flight Refuelling	2.2	July 4	1.75	3.6	2.85
Gerrard and Natl.	5.12	—	4.17	9.12	8.23
Hoveringham	1.64	June 20	1.58	2.32	2.08
G and G Kynoch ......int	nil	—	1	—	2
Lake View Inv.	2	—	1.65	3	2.4
Walter Lawrence ...int.	1.8	June 15	1.8*	—	5.84*
J. Wowlem	5.61	—	5	7.26	6.5
W. Nash	4.74	—	—	10.24	9.24
Newarthill	5.32	—	4.84	5.32	4.84
Perry Motors	2.01	July 2	1.46*	3.69	2.69†
Petrocon	3.36	June 8	3.36	4.51	4.51
RCF Hldgs. ......int	0.88	July 2	0.88	—	2.72
Rowan and Boden	0.87	—	0.77	1.47	1.32
Vickers	5.96	July 2	5.96	9.81	9.81

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Third interim of 1.7694505p to be declared if dividend controls not renewed.

Rowan & Boden well ahead

A second-half increase from £225,217 to £353,277 lifted taxable profits of Rowan and Boden, furnisher, plastic manufacturer, from £430,217 to a record £604,277 for 1978. Turnover for the year was up from £8.55m to £9.98m.

At the interim stage the directors reported profits ahead to £251,000, against £202,000, and they anticipated that results for the full year would continue to show an improving position.

SSAP 12 adjusted tax for 1978 came out at £1,303 (£120,556 credit) — deferred tax is not provided for except where a liability is considered to be payable in the forseeable future. Some further provisions which are no longer required have been released to the credit of the year's tax charge.

Stated earnings per 25p share are 14.92p (13.63p) and a final payment of 0.87142p lifts the total dividend from 1.31769p to 1.47142p net.

Last time profits were reduced by an extraoridnary debit of £151,765.

Redundancy payments help push Hoover into loss

REDUNDANCY payments, exchange losses, the lorry drivers' strike and bad weather have all affected Hoover in the first three months of 1979.

The directors report a pre-tax loss of £619,000 compared with a profit of £2.4m last time. Sales went ahead by 24 per cent to £49.7m reflecting increased demand.

Profits for the whole of 1978 were well down from £12.24m to £5.3m; at six months they had fallen from £7.67m to £3.82m and the final quarter's contribution was £1.15m against £3.62m.

The dividend payment last year fell from 14.82p to 12p net.

There was a small trading profit of £38,000 (£1.45m) for the period. Programmes, however, have been developed and are being implemented to reduce costs in all areas of the company, and as an essential part of these programmes, a number of redundancies costing some £850,000, took place in the first quarter, the directors say.

Also there were exchange losses for the three months of £657,000 (£946,000 gains), comprising £328,000 subsidiaries (£403,000 gains) and £329,000 Hoover (Holland) BV (£543,000 gains).

Pre-tax loss figure included £312,000 (£212,000) in respect of the 50 per cent share of trading profit of Hoover (Holland) and its subsidiaries, and was subject to tax of £517,000 (£513,000). Net loss was £1.14m (£1.89m profit) giving a loss per 25p share at March 31 of 6p against earnings of 10p.

SSAP 15 has been adopted, last year's charge being adjusted accordingly, and the directors say that if provision for taxes had been made on the previous year's basis—to include deferred tax adjustments—tax for the first quarter would have been £93,000 (£730,000).

	Three months 1979 £000	1978 £000
Sales	49,704	40,064
Trading profit	38	1,453
Exchange losses	657	*946
Pre-tax loss	619	†2,399
Tax	517	513
UK	386	344
O'seas	61	90
Hoover (Holland)	70	79
Loss after tax	1,136	†1,886

* Gains. † Profit.

See Lex

Flight Refuelling increases to record £1.9m at year-end

RECORD TAXABLE profits of £1.91m for 1978, compared with £1.48m previously, are reported by Flight Refuelling (Holdings), manufacturer of specialised equipment for the aircraft, nuclear and electronic industries. Turnover stood at £11.05m, against £10.74m.

At halfway, profits were up from £660,000 to £935,000 and the directors expected second-half results to equal, or be slightly better than, the first six months. In the event, the surplus was £975,488 (£822,112).

After tax for the year of £1.01m (£0.78m), earnings per 25p share are shown to have risen from 12.54p to 16.03p. The net total dividend is lifted from 2.853p to 3.6p, with a 2.2p final. A one-for-two scrip issue is also proposed.

● comment

Flight Refuelling boosted pre-tax margins to 17.3 per cent from 13.8 per cent last year though the significance of the figures is limited by an inevitably uneven order-flow. Profits were slightly above company forecasts but after a mid-session surge the share closed 6p down at 280p. A Tory Government could boost orders by increasing defence spending while foreign business is holding up with a share of around 30 per cent, so prospects look good for this year. Stated p/e is a very healthy 17.3 while the yield is around 1.9 per cent.

Further SA sale by Hill Samuel

Hill Samuel Group (SA) the 74.3 per cent-owned South African subsidiary of Hill Samuel Holdings, is making a further major re-organisation of the South African operations by selling the entire property portfolio.

Until now, HSGSA has operated as a holding company with interests in merchant banking, insurance broking, pensions consultancy and property. In March, the insurance and pensions business was hived off and placed under the control of the Alexander Howden group.

The property development and investment activities have been a drag on the company's performance during the entire period of South Africa's property slump, and it is to be sold to Oxbridge Investments, a wholly owned subsidiary of Hill Samuel and Company.

The R10.2m property portfolio is being transferred at 95 per cent of directors' valuation to compensate Oxbridge for assumption of any future downside risk on the properties received. However, any significant realisations in excess of R10.2m by Oxbridge after expenses will be paid to HSGSA by deferred consideration.

At this stage HSGSA is to receive R3.45m cash from Oxbridge, with the balance to be treated as an eventually repayable interest-bearing loan from HSGSA's merchant banking subsidiary to Oxbridge.

With HSGSA operating purely as a merchant bank holding company, it is necessary to reduce the group's capital employed. It is proposed that some R1.75m funds surplus to requirements be repaid to shareholders by a 12 cents per share capital distribution.

According to the HSGSA chairman, Mr. Christopher Castleman, the eventual intention is to run down the South African property exposure completely. Initially it should be possible to sell the company's developed properties, though sale of undeveloped land could well take several years if satisfactory prices are to be realised.

In London, Mr. Dolf Mootham, a director of the parent bank, said that the purpose of all the changes was to create a merchant bank which could be easily understood. The bank would be better able to issue shares or undertake other operations which required public understanding, once stripped of its insurance and property interests.

He noted that the property assets, consisting to a high degree of loans rather than equity, were large in relation to the merchant bank.

HIGHLIGHTS

Lex looks at the depressing figures from Vickers where the hole left by nationalisation and poor results from offshore engineering have left pre-tax profits down from £25.1m to £11.7m. Hoover has shown a first-quarter loss after adverse currency swings, a haulage strike and heavy redundancy costs, but margins are now said to be improving. OCL's profits are down by a quarter and Lex discusses the probability of another decline this year. Finally Gerrard and National Discount's profits have fallen only slightly from previous year's high level, with favourable conditions ruling in the markets towards the end of the financial year. Elsewhere, Harold Perry has ridden out the Ford strike in good style and Brooke Street Bureau posts more than doubled pre-tax profits to climb above the previous 1973 peak. Flight Refuelling has beaten its earlier forecasts but, on a less happy note, Amalgamated Power managed to increase profits by a mere 8 per cent. Mowlem had a better second half and Hoveringham is ahead by 36 per cent.

Associates leave Mowlem £0.2m off

ASSOCIATES profit contribution virtually halved from £1.68m to £891,000 left taxable profits of John Mowlem and Co., construction group, down from £6.12m to £5.92m for 1978. Turnover wasa ahead by over £18m from £145.6m to £163.7m.

The directors say that the increasing diversity of the group gives them hope for modest progress despite bad weather early in the current year affecting UK contracts.

At halfway profits had fallen to £2.44m compared with a previous £2.75m.

SSAP 15 adjusted tax for the year took £1.51m (£1.72m) leaving an unchanged net profit of £4.4m. Earnings per 25p share are shown as 27.9p (29.56p) and the dividend, costing £1.15m (£987,000), is increased from 6.5p to 7.2583p net with a final of 5.6083p.

The retained balance emerged as £3.26m against £3.42m.

Shareholders funds per share are given as 160.3p (144.2p) and assets employed £26.8m (£22.4m).

● comment

Mowlem was not expected to produce much more against the background of difficult trading conditions in both the UK and Australia. The results — profits are 3 per cent lower after an interim downturn of 12 per cent — reflect the better weather conditions in the second half but it is difficult to judge whether the UK performance, after stripping out the McTay contribution, has responded to the small overall increase in building activity. The associates' figures — 44 per cent lower — reflect mainly the Australian share but this must be judged against the exceptional 1977 profits which were boosted by all the reconstruction activity following the Darwin floods. The prospects for the building and civil engineering industries suggest that not much of an improvement can be expected in the current year, although the company should be able to at least climb back to the 1977 level of £6.13m. The shares look fairly rated at 125p, where the p/e is 4.3 and the yield 9.1 per cent.

Newarthill finishes £2.3m down

Newarthill finished 1978 with taxable profits down from £11.5m to £9.2m. Turnover stood at £147m, against £148m.

At midway, profits fell from £7.85m to 4.65m, and the directors said this trend would probably apply to the full year.

After tax for the year £4.55m (£5.83m), stated earnings per £1 share are down from 34p to 27.4p. The net dividend is raised from 4.84p to 5.324p. There is an extraordinary credit this time of £110,000 (£41,000 debit).

Principal activities of the group, which takes in the family interests of Sir Robert McAlpine, are construction, property and investment and aircraft chartering.

Walter Lawrence falls marginally at halfway

A SLIGHT decline in pre-tax profits but a near 30 per cent jump in earnings per 25p share are reported for the half-year to December 31, 1978, by Walter Lawrence, the building, contracting and light engineering group.

Pre-tax profits for the six months were £517,000 compared with £528,000. This was achieved on turnover which increased from £17.7m to £22.6m.

The tax charge is lower this time, however, at £246,000 compared with £314,000 and after little change in the minorities, earnings attributable to shareholders show an increase at £247,000 against £189,000. Earnings per 25p share are given at 4.9p (3.8p).

The interim dividend is effectively held at 1.8p net. Last year's total payment was equivalent to 5.8368p.

Commenting on the figures, Mr. John Redgrave, chairman, reports that all divisions contributed to the increase in turnover. Profitability in the contracting and plant hire companies was still affected by the recession in the construction industry.

The manufacturing and engineering companies are continuing to meet expectations, and have improved their performance despite the effects of the prolonged strike at Fords and the transport strike.

On the next half year Mr. Redgrave states that the results of the contracting and plant hire companies during the second half will have borne the brunt of the most severe weather conditions seen in this country for the last 16 years.

The directors have taken every possible action to mitigate these adverse effects and, taking into account the expected conclusion of several property developments, they are confident that the overall results for the 12 months ending June 30, 1979, will not be unsatisfactory. For the last full year profits totalled £1.13m.

For administrative reasons the company's accounting reference date will be changed to December 31, 1979.

Unaudited results for the 1978-79 year will be published about October, when a second interim dividend will also be declared. It is expected that the total of the first and second interim dividends will be at least the equivalent of the total dividends for last year.

The sale of Walter Lawrence Engineering was completed on April 4. The consideration of £650,000 included the freehold premises from which the company conducted its business together with the repayment of an inter-company loan. The comparable net assets amounted to approximately £580,000 and the profits of Walter Lawrence Engineering for 1977-78, before extraordinary items, amounted to £31,399.

PROCOR ADVANCES

Net profit of Procor (UK), a subsidiary of Trans Union Corporation of the U.S., is lifted from £208,840 to £437,849 in 1978 after a tax credit of £245,975, compared with £213,556.

Sales and rental income of the railway rolling stock group rose from £3.76m to £4.94m. There is again no dividend.

Included in the tax figure is a Federal tax credit of £189,619 (£169,041) representing the benefit from the use of the company's tax losses by its parent.

BANK RETURN

—	Wednesday April 25 1979	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	24,455,313	— 6,045,178
Special Deposits	256,755,000	+ 256,135,000
Bankers Deposits	385,893,211	+ 31,230,202
Reserves & other Accounts	620,358,046	+ 6,119,676
	1,301,994,570	+ 287,439,700
ASSETS		
Government Securities	740,177,830	+ 132,870,001
Advances & Other Accounts	372,959,263	+ 143,493,240
Premises Equipment & Other Secs.	168,188,114	+ 31,918
Notes	20,477,726	+ 11,649,955
Coin	192,237	— 5,414
	1,301,994,570	+ 287,439,700
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	9,200,000,000	— 150,000,000
In Circulation	9,179,522,274	— 161,649,955
In Banking Department	20,477,726	+ 11,649,955
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	7,861,116,996	— 413,318,739
Other Securities	1,327,867,904	+ 263,318,739
	9,200,000,000	— 150,000,000

UK COMPANY NEWS

Hoveringham on target with £4.86m profit

AS FORECAST, Hoveringham Group turned in pre-tax profits of £4.86m in 1978, compared with £3.55m previously. Turnover was well ahead at £45.59m against £35.24m.

Profit was struck after depreciation up almost £1m to £1.8m.

At midway, the surplus rose from £1.56m to £2.42m and the directors expected full-year results to be compatible with those achieved in the first half.

Mr. G. H. Christopher Needler, chairman, says the increase in the total dividend from 2.08p to 2.3227p is not as large as had been hoped at the halfway stage.

He explains that it represents the maximum the company can distribute within the current legislation, as the adoption of SSAP 15 has affected the granting of Treasury approval for a larger increase.

After tax for the year of £2.58m (£1.59m), earnings per 25p share are shown to have risen from 10.4p to 12.19p. The net final dividend is lifted from 1.53p to 1.6352p, making 2.3227p (2.08p).

The extraordinary credit of £37,000 (£36,000) includes the surplus from realisation of fixed assets and redemption of debentures, and goodwill amortisation. An equivalent amount to the goodwill written off has been transferred from reserves.

The group operates quarries producing gravel, sand, limestone and gritstone. It also produces ready-mixed concrete and is in the leisure and insurance industries.

	1978 £000	1977 £000
Turnover	45,592	35,235
Trading surplus	7,398	4,930
Interest	616	322
Depreciation	1,800	874
Land depletion	272	214
Associates' profit	152	34
Profit before tax	4,860	3,554
Tax	2,575	1,592
Net profit	2,285	1,962
Extraord. credit	37	36
Attributable	2,322	1,998
Preference div.	86	86
Ordinary div.	424	375
Retained	1,812	1,537

● comment

The 36 per cent increase in Hoveringham's profits came as a slight disappointment after 1977's impressive 64 per cent growth while the total net dividend increase of 11 per cent falls well short of the 25 per cent which the company was hoping would be allowed by the Treasury. At the same time trading profit was up by a healthy 50 per cent with a number of exceptional charges depressing the attributable figure. Depreciation rose sharply owing to conversion of commercial vehicle operations from leasing to hire purchase, while extensive purchases last year almost doubled interest charges. This year's bad weather, coupled with the haulage strike, have clearly had an impact on first quarter figures but the company's recent diversification policy and its acquisition of Superior Sand and Gravel in the U.S. should make it less vulnerable than some other companies in the sector. At 98p the shares trade on a stated p/e of 7.9 and a yield of 3.6 per cent.

Perry's rise 'restricted' to £1m

Harold Perry Motors, Ford main dealer, lifted taxable profits by 36 per cent in 1978 and has boosted its dividend. But the directors said the nine-week Ford strike took the shine off what would have been a "brilliant" year.

They add that the current year started well, with first quarter pre-tax profits up from £1.1m to £1.53m. The Board says expectations of increased productivity make Ford's aim to raise its market share seem possible this year. The group expects to lift its sales accordingly and is aiming for further growth and profits.

The company pushed up taxable profits from £2.77m to £3.76m in 1978 on turnover which jumped from £67.23m to £87.59m. At the halfway stage the group had advanced from £1.49m to £2.19m.

Treasury approval has been given for a final dividend of 2.01p net per 25p share which lifts the total from an adjusted 2.6917p to 3.685p. Stated earnings per share are ahead from 31.4p to 34.3p.

● comment

Harold Perry's second-half profits gain of 23 per cent is a fair result bearing in mind the Ford strike which probably clipped £½m off profits. Supplies of new vehicles were obviously hit, and body parts were also in short supply though overall the servicing division was less affected by the Ford strike than the recent lorry drivers' dispute. Catching up on sales delayed by the strike is the main factor behind the jump in first-quarter profits but supplies are still tight and satisfying pent-up demand in the fleet market should ensure a buoyant second quarter. However the latter half of 1979 could be weaker, with demand slackening and margins coming under pressure in consequence. Even so early estimates of around £4½m this year look reasonable. The shares had a good run ahead of the figures so yesterday's 7p slip to 172p is not surprising. The prospective fully taxed p/e comes down from 8.3 to around 7 and with a well covered 3.2 per cent yield, offering some scope, the price is not demanding.

Gerrard & National downturn

INCLUDING an almost halved contribution from its subsidiaries, after tax and minorities, of £571,000 against £1.11m last time, profit of Gerrard and National Discount Company, was down from £5.71m to £5m for the year ended April 5 1979, after providing for tax and a transfer to inner reserves.

The reduction in the subsidiaries profits reflect both non-recurring expenditure within the Astley and Pearce group on opening a branch in Tokyo and on opening a branch in Tokyo and on moving to new premises in Londo, the directors explain.

And it reflects a reduction of the interest in Astley and Pearce Holdings from 87.85 per cent to 73.49 per cent by the sale to a company owned by certain members of the staff of the Astley and Pearce group.

The directors say that £1.5m (£2m) has been transferred from inner reserves to general reserves, inner reserves now standing at record levels. Profit figure for the year was after a transfer to inner reserves, they add.

The net dividend for the period is stepped up from 8.2342p to 9.124p per 25p share with a final payment of 5.124p.

See Lex

BARROW HEPBURN

The preliminary results from Barrow Hepburn will now be published on May 9. The delay has been caused by a requirement to change the tax provision for a small Australian subsidiary which has received a bid since the figures were finalised.

The company stressed yesterday that the amounts involved are not large.

Rentokil sees record profits for 1979

A healthy increase in profits for 1979 was forecast by Mr. W. Westphal, chairman of Rentokil Group, at the AGM. He said he was pleased to confirm that growth in profits had continued into 1979. Pre-tax profits in 1978 were £10.6m. The UK, which provided most of the increase in profits last year, had had a buoyant first quarter, notwithstanding the severe winter.

Despite the strength of sterling so far this year overseas companies had achieved a satisfactory increase in profits in the first quarter.

Bywater joins South Crofty

The influence of Mr. James Raper over Saint Piran, seems to have been increased further.

Mr. Richard Bywater, an employee of Gasco Investments whose chairman is Mr. Raper, has now been appointed to the board of South Crofty the partly owned, publicly quoted subsidiary of Saint Piran. This appointment comes only about two weeks after Mr. Bywater joined the main Saint Piran board.

On Wednesday it was announced that Gasco's stake in Saint Piran had been increased to 23.35 per cent. A spokesman for Saint Piran said yesterday that Mr. Bywater's appointment to South Crofty was "a natural extension of Gasco's interest in Saint Piran."

Also appointed to the board is Mr. G. F. Lloyd, managing director of Tehidy, a recently acquired South Crofty subsidiary.

Brook Street more than doubles: prospects good

ON A 45 per cent increase in turnover, pre-tax profits of Brook Street Bureau of Mayfair more than doubled from £0.9m to £1.91m in 1978.

The directors explain that the rapid growth in both profits and profitability were a reflection not only of improved trading conditions, but also of considerable time and money expended on improvements to branches, staff training, and the creation of further specialist divisions.

They state that despite difficult trading conditions in the UK, due to bad weather and nationwide industrial problems, during the early part of 1979, turnover rose by 30 per cent, and is currently running in excess of that figure.

In the likely event that this trend will continue, the directors say that holders may look forward to an increase in the dividend for the current year. For the year under review the total payment is effectively raised from 2.803p to 3.09598p with a final of 2.22265p net.

Earnings per 10p share are given at 8.91p (3.48p).

The company operates mainly as a clerical and administrative staff agency.

Mr. Eric Hurst, joint chairman, said he was looking for "significantly" higher profits again this year. Although it would be too much to expect Brook Street to double pre-tax returns again during 1979.

Mr. Hurst turned down some suggestions that 1980 could see a slow down for the employment agency business generally.

Helping Brook Street's big advance last year was a further reduction in the losses on its Australian operations — down from $120,000 to $30,000 loss for 1978. These interests were now back in profits and "for the first time Australia is beginning to look healthy."

● comment

Reed Executive has shown recently that the combined effects of strong demand for temporary and permanent staffs and high operational gearing add up to a renaissance in employment agency fortunes. Brook Street has underlined the trend and profits for 1978 are some £100,000 over the 1973 peak, while strong liquid resources and an acute shortage of skilled labour leave room to expect that the group can build substantially from this new profits platform. Australia, which made £470,000 six years ago, is just about back in the black and Brook Street has high hopes of its fledgling franchise operation in the U.S. While Reed appears to be diversifying into cut-price toiletry retailing, the group will stick to its last. Over the longer term, it will be fascinating to see which rival has chosen the most propitious course yet for the moment the shares, up 2p yesterday at 69p, offer a p/e of 7.5 and a yield of 6.9 per cent which allows little or nothing for the turnover growth so far this year.

A.P.E. profit up by nearly £0.5m

SECOND-HALF profits of Amalgamated Power Engineering rose from £3.36m to £3.67m, in line with expectations, and 1978 taxable surplus came through higher at £6.78m compared with £6.29m. Turnover expanded from £56.15m to £64.77m.

Reporting midway profits up from £2.93m to £3.11m, the directors expected the second six months to show a modest improvement over the same period last time.

After tax for the year of £1.51m (£1.45m), stated earnings per 25p share are increased from 37.97p to 38.44p. The net total dividend is lifted from 5.28p to a maximum permitted 5.896p, with a 2.948p final.

The directors explain that this year, to conform with new standard accounting practice, depreciation is provided on all freehold properties. Shareholders' funds and fixed assets have each, at the 1977 year-end, been reduced by £591,000 to reflect this change: the additional depreciation charge is £29,000.

The group makes steam turbines and diesel engines.

	1978 £000	1977 £000
Turnover	64,771	56,145
Trading profit	6,777	6,474
Interest	160	377
Share associates	163	189
Profit before tax	6,780	6,286
Tax	1,506	1,450
Available	5,274	4,836
Dividends	810	724
Retained	4,464	4,112

● comment

The market was evidently disappointed with APE's 8 per cent profits rise—the shares eased 8p to 136p—in spite of earlier warnings that growth could not match the previous two years when earnings almost quadrupled. The increase is mainly due to a near one-fifth improvement in exports to £28m achieved against the background of unfavourable currency movements and a provision of roughly £0.15m made against some overseas contracts, which have run into technical and financial problems. Sales of diesel engines, steam turbines and compressors have been buoyant but against this, a depressed tanker market has hit the gears side while cutbacks in local authority spending resulted in disappointing profits from pumps. The shares yield a well-covered 6.6 per cent while the p/e of 3.5 suggests that the market is not expecting very much in the immediate future.

Copydex well over forecast

Copydex bettered its midway forecast by some £180,000 to end 1978 with record taxable profits of £432,000, against £201,000 previously.

At the half-way stage the surplus was up from £81,000 to £112,000 and the directors expected a minimum pre-tax profit of £250,000.

Tax for the year took £190,000 compared with a £35,000 credit last time as restated after provision for deferred tax. The net total dividend is stepped up from 2.237p to 2.461p per 10p share, with a 1.711p final.

The group makes adhesives, household products and security devices.

RCF rises to £0.2m at midway

A BIG increase in taxable profits —up from £120,000 to £213,000— is reported by RCF Holdings for the half-year to January 31, 1979. But the directors say this does not necessarily mean there will be a year-end increase. The result will mainly be dependent upon order input and the overall economic situation in the final months of the year.

They add that the six-month profit was achieved in spite of relatively poor export order input, high interest rates and the haulage dispute.

For the whole of last year the hand-tool group turned in taxable profits of £639,000, against £557,000.

The interim dividend is held at 0.875p net per 25p share. Last year's total payout was 2.7225p.

The Crawley factory has been sold.

Bowater to maintain high capital spending level

THE FINANCIAL strength of the Bowater Corporation has greatly improved and it is well placed to continue with the development programme announced last year.

The group spent £69.6m last year on various projects and Lord Erroll of Hale, the chairman, reports that substantial capital expenditure is again planned for 1979. This will be principally to maintain and extend manufacturing operations in North America, the UK and other EEC countries.

The programme will be financed from current cash flows and existing resources. Commitments outstanding at the year-end amounted to £67.9m.

Of the capital spending in 1978 the directors estimate that £24.1m was spent on genuine expansion projects. The larger of these will not earn a return until 1980.

They point out that in a capital intensive organisation such as Bowater year-by-year figures for the flow of funds are of limited value. Over the five years 1974 to 1978 these are summarised as follows: funds generated £361m, less dividends paid £80m; funds applied £356m — comprising investment in fixed assets and expansion £282m, additional working capital, £46m trading activities and £48m other activities. Net long-term funding totalled £108m leaving an increase in net liquid funds of £33m.

Lord Erroll says that group planning is proceeding on an international basis and includes growth in transportation and trading interests. He considers that a growing involvement in service industries will counter-balance the other more capital intensive operations.

The group is concentrating on improving the overall rate of return on existing investments and on their development through organic growth. In some investments, particularly in the UK and Europe, the rate of return on capital remains unsatisfactory.

On the UK paper side important progress has been made at Ellesmere Port, much of which is due to better industrial relations at that mill. However, domestic prices for newsprint remain much too low due to the currency adjustment rebates which increased still further with the strength of sterling. Under this system a rebate of £1.30 per tonne of newsprint is paid for every cent that the £ firms over U.S.$1.75. The UK accounts for 200,000 tonnes per annum out of a total newsprint market of 1.25m tonnes.

The U.S. newsprint market con- results of the newsprint division improved significantly in the second half they have now only reached break-even level.

The U.S. newsprint maket continued its strong growth. All four mills in North America operated fully in 1978 and by the year-end there was a supply shortage. The directors point out that the continued fall of the Canadian dollar was a major factor in increasing the profitability of mills in that country.

Earnings on bleached pulp were at a low level but by the year end margins were improving.

On the international trading side new offices in the important cotton growing areas of Central America and the Western U.S. have brought the group closer to the farmer and have enabled it to provide additional ancillary services. Stocks at the year end up from £209.7m to £222.1m included £50m for cotton.

In his statement the chairman comments on the double tax treaty between the UK and the U.S. An amendment to the treaty permitting individual states to allocate and tax profits of international organisations was reluctantly accepted by the British government. The chairman describes it as an insidious system which, if widely adopted, could cause international companies to suffer multiple tax on their profits.

The annual report gives prominence to a current cost profit statement which shows group pre-tax profits of £57m (£60m) compared with £90m (£87m) on an historical basis. The current cost profit was reduced by cost of sales adjustment £6m (£1m), monetary working capital adjustment £3m (£2m), and additional depreciation £24m (same). After tax, minorities, dividends and ACT there is a current cost loss of £4m (£2m profit) but this is struck before allowing for a gearing adjustment of £8m (same).

In the historical accounts uncovered UK advance corporation tax of £1.5m is shown separately from the tax charge. The auditors state that this is contrary to SSAP 8 which requires that such a deduction be made as part of the tax charge so that profit before extraordinary items for the year should be reduced from £35.6m to £34.1m.

The group balance-sheet shows a reduction in the loan capital from £240.2m to £207.8m which reflects repayments and conversions during the year. Cash and deposits were down from £82.1m to £42.6m while short-term securities rose from £27.5m to £49.8m. Within current liabilities bank borrowings increased from £85.5m to £118.2m, and loan capital repayable this year amounted to £23.1m (£32.6m).

The directors point out that as the group now takes delivery of cotton in many areas at the ex-gin stage rather than on an FOB or CIF basis, this resulted in a material increase in bank borrowing in the peak seasonal periods.

Meeting, Dorchester Hotel, W, May 18 at 11.30 am.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interim: McKechnie Brothers.

Finals: Allsbone, Belgrave (Blackheath), Bremner, Burrell, R. H. Cole, Anthony Gibbs, Hammerson Property and Investment Trust, Heatair, Jersey Electricity, Scottish Ontario Investment, Silhouette (London), Sunlight Service, Tarmac, Whatman Reeve Angel, Winn Industries, York Trailer.

FUTURE DATES

Interims—	
Moss Engineering	May 8
Scottish National Trust	May 22
Transvaal Consold. Land	May 10
Westward Television	May 9
Wood Hall Trust	May 10
Finals—	
Furness Withy	May 2
Grovebell	May 4
Hawtin	May 2
Heal and Son	May 8
Hunting Associated	Apr. 30
Marshall's Universal	May 10
Neill (James)	May 4
Ovenstone	May 4
Philips' Lamps	May 8
Save and Prosper Linked Investment Trust	May 3

Senior well placed to benefit from any upturn in demand

THE DIVERSITY of Senior Engineering Group's interests and the state of its well equipped companies will enable the company to take full advantage of any upturn in trading conditions and assist in the improvement of 1979 results, says Professor R. Smith, chairman.

The start of the current year felt the impact of industrial action but these problems to a great extent have now eased. By February and March all divisions have been returning to a more normal level of operations.

Professor Smith points out that the outcome of 1979 is dependant on increased demand and a rise in world trade in engineering products.

He reports that, except for light engineering, all divisions entered the year with increased orders on hand. Since then there has been a good inflow of orders, particularly for light engineering.

Results for 1978, which appeared on April 19, showed a second-half downturn which left full-year pre-tax profits £0.21m lower at £5.09m.

At December 31, 1978 group fixed assets stood at £11.1m (£10.8m) and net current assets at £14.22m (£13.02m).

A statement of source and application of funds shows a £700,000 (£251,000) increase in net liquid funds.

Approved capital expenditure not provided for in the accounts was £564,000 (£287,000) for contracts placed, and £299,000 (£236,000) for approved but not contracted.

ITC Pension Trust and ITC Pension Investments held 7.2 per cent of the company at March 31, 1979, and Prudential Assurance Co. held 5.2 per cent.

The AGM will be held at the Connaught Rooms, WC, on May 23 at noon.

● comment

Senior is being consciously muted about prospects this year, but at least the one divisional ordering problem at the start of 1979, light engineering, is easing with a renewed inflow of work from the NCB. Much depends on the effect of national industrial disruption, which started to bite last November, but it seems that only the air handling and thermal operations stand a better than even chance of recouping much of the work lost. Recent high levels of capital spending have worked through to the advantage of steel tube and thermal activities where profits probably expanded by around a fifth and a quarter respectively. A strong balance sheet provides support for higher capital spending this year, and possibly, for acquisitions. Gearing is less than 11 per cent and tight control of working capital help to boost net liquid funds by £700,000. The economies of building up stock to obtain tax relief now appear to be fading, however, and the liability has risen by £970,000 to £3.4m despite the slight fall in profits.

Chesterfield advances to £2.2m

ON TURNOVER up from £3.78m to £4.2m pre-tax profits of Chesterfield Properties rose to £2.23m for 1978 against a previous £1.78m. At halfway profits had risen from £883,000 to £1.09m.

After tax of £1.08m compared with £922,000 earnings are shown as 11.66p (8.76p) per 25p share and a second interim dividend of 2.4951p lifts the total to 4.4611p (4.029p), the maximum permitted.

W. Nash betters forecast

AGAINST EXPECTATIONS, profits of William Nash rose in the second half and 1978 finished with the taxable surplus up from £525,574 to £801,812.

This represents a recovery to the record £833,160 profit in 1974, but the company reported losses of £64,000 and £63,000 in the following two years.

In the 1978 half-year, profits were up from £267,000 to £369,000, but the directors of this specialist paper maker expected the second-half surplus to fall below that of the first six months.

The directors now say that, with continuing pressure on profit margins, it is not expected that current year results will reach those now reported.

Turnover for the year was marginally lower at £10.02m, against £10.47m.

After tax of £199,074 (£109,123), stated earnings are higher at 102.4p compared with 89.2p. The total dividend is lifted from 9.24p to 10.24p, with a 4.74p final. SSAP 15 has been adopted and comparisons adjusted.

William Nash is an unquoted, close company.

U.S. climate forces BSR to cut back production

DISAPPOINTING demand from the U.S., the company's main market, has forced BSR to cut back production for the first time since 1974.

The working week of factories in the Sound Reproduction division is to be reduced by one day for the next eight weeks, Mr. John Ferguson told shareholders at the annual meeting. After that the situation will be reviewed.

Mr. Ferguson said the upward trend in U.S. inflation and continuing high interest rates there made it very difficult to forecast the trend in consumer demand particularly for the second half.

Two price increases already announced had been largely eliminated by the pound's strength against the dollar.

The two U.S. manufacturing companies, he stressed, were progressing very well while most other markets were running appreciably ahead of last year.

As for the Consumer Products division the near term outlook was "quite encouraging," although much would depend on the outcome of the election.

In answer to questions Mr. Ferguson said the company's Accutrac electronic record changers had not been as successful as hoped. Some major changes in costs and technology, however, had recently been made.

On the losses at Judge International—£733,000 in 1978, Mr. Ferguson promised this company "would not be allowed to drag on as a running sore."

Explaining his decision to sell 50,000 shares last year—more than half his personal holding—Mr. Ferguson pointed out that this was "a personal matter' and has nothing to do with the state of the company.

"It was a question of refinancing some borrowings because last year I bought a farm."

On the 18.3 per cent increase in the company's annual wage bill, Mr. Ferguson said this was made up of a wage settlement of around 14 per cent together with a productivity deal.

UK COMPANY NEWS

BIDS AND DEALS

Brocks expanding into microprocessors field

The Dorset-based Brocks Group of Companies, has paid at least £1.5m for two privately owned businesses in the microprocessors field.

The acquisition of Pelco (Electronics) and Grovemart is seen by the directors of Brocks as the first step in expanding the company by using the latest microprocessor technology.

Meanwhile, Mr. Colin Banks, chairman of Grovemart and founder and former chairman of Kode International, has been appointed chairman and chief executive of Brocks. The previous Brocks chairman, Mr. B. R. Clack, who is 59, has retired from the Board, but will be available on a consultancy basis.

Consideration for the purchase will be satisfied by the issue of 412,500 Brocks shares in respect of Pelco and 837,500 in respect of Grovemart. The 1.25m shares, which will not rank for 1978 dividends, represent 12.85 per cent of the issued share capital of Brocks.

A further issue of 1.25m shares will be made to the vendors in 1981 if the combined profits of Pelco and Grovemart for 1978 exceed £500,000 pre-tax. The directors of the two companies have guaranteed aggregate profits for the current year of more than £100,000.

COUNTRY & COMMCL. TO BID FOR STEWART & WIGHT

Mr. Michael Bernard Conn, a director of Stewart and Wight, announces that he, his wife and their company (Country and Commercial Property Investments) have purchased a total of 12,010 6 per cent (now 4.2 per cent plus tax credit) cumulative preference shares at 50p per share and 10,920 ordinary at £5 per share in Stewart and Wight.

These shares, together with the existing holdings of the above-named in Stewart and Wight, amount to 23,359 (66.95 per cent) cumulative preference and 23,861 (49.47 per cent) ordinary.

In accordance with requirements of the City Code on takeovers Country and Commercial Property proposes to make offers at the above prices for the remaining shares of each class which it and its associates do not already own.

Duncan Lawrie, acting on behalf of Mr. Conn and associates is satisfied that Country and Commercial has sufficient resources available to implement the offers in full.

HARRIS GRAHAM MERGING

Harris Graham and Partners, a leading employee benefit consultancy company, has announced agreement in principle to merge with Wyatt Company, a major U.S. firm of consulting actuaries.

Wyatt, which has 25 offices in the U.S. and Canada, is a major firm of consulting actuaries, employee benefit and compensation consultants, with over 6,000 clients including many multi-national corporations. Up to now it has devoted its interests to the domestic and international needs of its North American clients.

Harris Graham founded a little over 10 years ago, has expanded from its UK base to provide an employee benefit and compensation consulting business throughout Europe and the Far East.

The proposed amalgamation will enable Harris Graham and Wyatt to significantly enhance their range of services to their clients world-wide.

CENTURY SETS UP U.S. OFFSHOOT

Century Oil Group has formed a new U.S. subsidiary, Century Mayor, aimed at investing in the lubricant industry in that country.

And the subsidiary has made a $2.6m (£1.3m) purchase.

Century Mayor is incorporated in the State of Delaware with initial share and loan capital of $3m. It is owned 75 per cent by Century and 25 per cent by Mr. H. A. Mayor II and Mr. H. A. Mayor III.

Century Mayor has acquired the undertaking and net assets of Hulburt Oil and Grease Co. Inc. of Philadelphia, and all the shares in its wholly-owned subsidiary Hulburt Oil and Grease Co. Inc. of Illinois, for $2.6m in cash. The adjusted book value of the assets acquired amount to $2.85m at December 31, 1978.

Both Hulburt companies are primarily engaged in manufacturing and distributing lubricating products to the mining industry.

Reabrook £2.5m acquisition

Reabrook Investment Trust has announced plans to acquire Arrow Chemicals for a total consideration of £2.5m in cash and shares at the pre-suspension price of 53p.

The acquisition will be satisfied mostly through the issue of 4.1m new ordinary shares for which the company will have to seek shareholders' approval at an extraordinary meeting. Reabrook also expects to lose its investment trust status, and proposes to change the name of the enlarged group to Arrow Chemicals Holdings. Reabrook further proposes to close its books on April 18, 1979, draw up audited accounts, and pay a second interim dividend.

Arrow's accounts for the year to August 30 show pre-tax profits of £440,000.

Reabrook has also disposed of its 51 per cent of the shares and loan stock of Gordon Sales and Services, a distributor of refrigeration equipment. Gordon has been bought by the existing management for £40,800.

Reabrook has also acquired for £3,000 cash Baraldi, a property company.

EDINBURGH AND GENERAL

Mr. D. P. Douetil and family interests have purchased 295,000 ordinary shares, an 8.39 per cent stake, in Edinburgh and General Investments, the reinsurance and insurance broker and underwriting agent.

Mr. Douetil was recently appointed chief executive of the group.

DOWTY GROUP

Dowty Group, the aerospace and industrial and electronics concern, has bought Ripper Systems in a deal worth £250,000.

Ripper is based in Kempston, Bedfordshire, and designs and manufactures communication systems for railways. It is to become part of Dowty Group's Ultra Electronic Communications company, in the electronics division.

OCL profits drop 25%

LAST YEAR, pre-tax profits of Overseas Containers fell by a quarter to £36.67m, and have suffered from a severe bout of troubles in the shipping sector as well as problems arising from the strength of sterling.

The major setback to profits came despite the almost 20 per cent rise in turnover to £345.78m and the 18 per cent increase in the number of containers handled, to 301,482 units.

The greatest single setback to profits was the £11.77m write-off of unamortised exchange losses.

The operating profit was also hit by the loss of £2.53m on foreign exchange. Profit after tax and minority interest was £17.76m against £46.55m in 1977.

But the company was also hit by a range of non-exchange factors, including industrial disputes at British ports which cost the company £6m in lost revenue.

The company said yesterday that its problems last year were typical of British overseas trade. There was slack world demand, industrial trouble, strong competitive pressure on rates—from the growing band of competing container operators in all quarters — and rising prices in Britain.

The problems of the refusal of labour at the port of Southampton to handle South African container trade until May hit the company and containers had to be transhipped via the Continent.

But even when the dispute was resolved, OCL was further restrained from making the best use of the Southampton facilities by an "unsatisfactory performance" in container handling. The rate of handling was down by a third on expectations.

The company limited is provision for deferred tax to only that payable in the foreseeable future. The resulting tax charge in the accounts is £5.2m.

The company is still in dispute with the Inland Revenue over exchange losses on foreign currency loans of a subsidiary. Counsel has advised the Board that OCL should succeed in the dispute and accordingly the company has made no provision in the accounts for the extra assessments which may be raised if OCL is unsuccessful. The maximum amount involved is £18.7m.

The historic depreciation of the group's ships and containers fell short of depreciation on a replacement basis by some £25m. The company decided not to incorporate an inflation adjusted statement into the accounts, as this was considered inappropriate to an industry as cyclical and international as shipping.

See Lex

Howden chief explains UK premiums fall

AN INSTITUTIONAL shareholder asked Mr. Kenneth Grob, chairman of insurance group Alexander Howden, at yesterday's annual general meeting why the premium income had fallen from £21m to £15m in the group's UK insurance companies.

The shareholder—the Post Office Staff Superannuation Fund—asked why the fall had taken place when £9m of fresh capital had been injected into the operations.

Mr. Grob replied that the reduction in the premium income had taken place in the second half of the year, a common experience in insurance markets.

Howden reported pre-tax profits of £17.7m for 1978, compared with £20.4m previously.

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges: at nominal value (6)	at market value (7)	Investment Currency Premium (see note g) (8)
	VALUATION MONTHLY			Pence except where £ stated (see note d)			
168.1	Alliance Trust	Ordinary 25p	30/3/79	8.0	314.6	323.3	21.5
94.3	Anglo-American Securities Corpn.	Ordinary 25p	30/3/79	3.3	143.3	149.3	10.4
†	British Investment Trust	Ordinary 25p	31/3/79	†	†	†	†
30.0	Capital & National Trust	Ord. & "B" Ord. 25p	30/3/79	*4.8	190.6	193.5	12.0
13.3	Claverhouse Investment Trust	Ordinary 50p	30/3/79	4.4	133.0	133.0	0.1
13.5	Crossfriars Trust	Ordinary 25p	30/3/79	3.7	135.0	135.0	—
18.1	Dundee & London Investment Trust	Ordinary 25p	30/3/79	2.6	98.9	100.6	4.1
†	Edinburgh Investment Trust	£1 Deferred	31/3/79	†	†	†	†
48.2	First Scottish American Trust	Ordinary 25p	30/3/79	3.15	136.4	137.5	10.6
13.8	Grange Trust	Ordinary 25p	30/3/79	2.4	123.8	123.0	4.5
77.9	Great Northern Investment Trust	Ordinary 25p	30/3/79	4.5	153.1	155.9	5.8
†	Guardian Investment Trust	Ordinary 25p	31/3/79	†	†	†	†
34.2	Hume Holdings Ltd.	"A" & "B" Ord. 25p	20/4/79	*6.875	x105.5	x108.7	1.3
67.5	Investors Capital Trust	Ordinary 25p	30/3/79	2.0	112.5	118.7	10.2
20.4	Jardine Japan Investment Trust	Ordinary 25p	31/3/79	0.85	176.3	176.3	32.3
†	London & Holyrood Trust	Ordinary 25p	30/3/79	†	†	†	†
†	London & Montrose Invest. Trust	Ordinary 25p	30/3/79	†	†	†	†
†	London & Provincial Trust	Ordinary 25p	30/3/79	†	†	†	†
121.0	Mercantile Investment Trust	Ordinary 25p	30/3/79	1.7	x62.8	66.6	2.6
	Do. Do.	Conv. Debs. 1993	30/3/79	£4.50	£94.70	£98.90	£3.90
29.0	North Atlantic Securities Corpn.	Ordinary 25p	30/3/79	3.07	132.7	133.9	9.6
57.2	Northern American Trust	Ordinary 25p	30/3/79	3.05	145.8	149.3	11.8
9.5	Save & Prosper Linked Invest. Trust	Capital Shares	30/3/79	—	199.7	199.7	—
137.3	Scottish Investment Trust	Ordinary 25p	30/3/79	3.0	144.2	148.4	10.1
†	Scottish Northern Investment Trust	Ordinary 25p	30/3/79	†	†	†	†
112.4	Scottish United Investors	Ordinary 25p	31/3/79	ac1.5	ac84.9	ac87.3	ac8.4
55.5	Second Alliance Trust	Ordinary 25p	30/3/79	6.3	269.5	278.5	18.6
†	Shires Investment Co.	Ordinary 50p	31/3/79	9.7336	†	†	—
46.3	Sterling Trust	Ordinary 25p	30/3/79	6.3	261.3	268.7	19.0
31.9	Technology Investment Trust	Ordinary 25p	30/3/79	2.6	160.0	160.3	10.5
83.5	United British Securities Trust	Ordinary 25p	30/3/79	4.44	185.8	188.1	11.6
24.1	United States & General Trust	Ordinary 25p	30/3/79	6.83	286.6	293.5	18.2
92.7	United States Debenture Corpn.	Ordinary 25p	30/3/79	4.05	127.5	131.9	8.6
	Do. Do.	Conv. Loan 1993	30/3/79	£5.00	£140.30	£145.00	£9.50
	Baillie Gifford & Co.						
†	Scottish Mortgage & Trust	Ordinary 25p	31/3/79	†	†	†	†
68.4	Monks Investment Trust	Ordinary 25p	31/3/79	1.6	73.8	74.3	3.6
18.2	Winterbottom Trust	Ordinary 25p	31/3/79	5.6	293.9	306.9	16.8
	Baring Bros. & Co. Ltd.						
†	Outwich Investment Trust	Ordinary 25p	31/3/79	†	†	†	†
25.7	Tribune Investment Trust	Ordinary 25p	23/3/79	1.7	97.4	97.0	9.4
	City Financial Administration Ltd.						
19.4	"Investing in Success" Equities	Ordinary 25p	13/3/79	3.35	264.6	258.3	26.9
	East of Scotland Invest. Managers						
49.4	Aberdeen Trust	Ordinary 25p	31/3/79	3.567	137.8	144.4	6.5
	Edinburgh Fund Managers Ltd.						
64.4	American Trust	Ord. & "B" Ord. 25p	31/3/79	*1.55	63.6	65.8	3.6
19.5	Crescent Japan Investment Trust	Ordinary 50p	31/3/79	1.3	225.0	225.0	30.9
15.1	General Scottish Trust	Ordinary 25p	31/3/79	4.0	127.9	130.2	6.3
	Do. Do.	Conv. Loan 1995/2000	31/3/79	£5.50	£163.40	£165.40	£8.00
9.1	Wemyss Investment Co.	Ordinary £1	31/3/79	12.5	404.8	404.8	30.2
	Electra Group Services Ltd.						
†	Electra Investment Trust	Ordinary 25p	30/3/79	5.5	†	†	†
†	Globe Investment Trust	Ordinary 25p	30/3/79	5.5	†	†	†
42.2	Temple Bar Investment Trust	Ordinary 25p	30/3/79	5.5	140.5	143.1	1.7
	F. & C. Group						
‡21.7	Alliance Investment Co.	Ordinary 25p	30/3/79	3.0	162.3	167.5	9.5
‡24.8	Cardinal Investment Trust	Deferred 25p	30/3/79	ac3.4	ac132.0	ac136.1	ac6.5
	Do. Do.	Conv. Loan 1985/87	30/3/79	£6.00	ac£142.60	ac£147.00	ac£7.00
‡7.2	F. & C. Eurotrust	Ordinary 25p	30/3/79	1.0	69.2	69.2	8.0
‡207.7	Foreign & Colonial Invest. Trust	Ordinary 25p	30/3/79	ac2.2625	ac124.7	ac129.2	ac9.1
†	General Investors & Trustees	Ordinary 25p	30/3/79	†	†	†	†
	James Finlay Inv. Management Ltd.						
2.0	Provincial Cities Trust	Ordinary 25p	30/3/79	1.48	40.8	40.8	—
	Gartmore Investment Ltd.						
7.8	Altifund Ltd.	Income 50p	31/3/79	8.3	102.5	102.5	3.8
	Do. Do.	Capital 50p	31/3/79	0.415	335.2	335.2	3.8
28.3	Anglo-Scottish Investment Trust	Ordinary 25p	31/3/79	1.8	70.7	72.9	3.6
30.8	English & Scottish Investors	Ord. & "B" Ord. 25p	31/3/79	*2.65	115.6	121.5	3.4
8.0	Group Investors	Ordinary 25p	31/3/79	1.9	96.3	100.1	5.4
5.8	London & Gartmore Invest. Trust	Ordinary 50p	31/3/79	§1.0	100.0	105.3	7.9
11.7	London & Lennox Invest. Trust	Ord. & "B" Ord. 25p	31/3/79	*ac1.667	77.9	80.7	4.9
35.5	London & Lomond Invest. Trust	Ordinary 25p	31/3/79	2.8	118.7	121.3	5.7
12.0	London & Strathclyde Trust	Ordinary 25p	31/3/79	1.6	65.9	69.7	4.3
14.9	Meldrum Investment Trust	Ordinary 25p	31/3/79	2.1	74.0	74.0	0.3
	Gartmore Invest. (Scotland) Ltd.						
77.7	Scottish National Trust	Ordinary 25p	31/3/79	3.9	217.0	221.0	18.0
19.1	Glasgow Stockholders Trust	Ordinary 25p	31/3/79	2.85	151.3	155.6	11.8
	John Govett & Co. Ltd.						
94.6	Border & Southern Stckhldrs. Tst.	Ordinary 10p	30/3/79	1.7	92.1	93.6	6.0
43.6	Debenture Corporation	Ordinary 25p	30/3/79	2.75	103.3	105.3	3.9
13.6	General Stockholders Inv. Trust	Ordinary 12½p	30/3/79	2.3	167.6	179.4	16.0
19.0	Govett European Trust	Ordinary 25p	30/3/79	1.8	84.4	84.4	9.3
69.4	Lake View Investment Trust	Ordinary 25p	30/3/79	†	144.4	148.6	9.7
	Do. Do.	Conv. Loan 1973/98	30/3/79	£4.00	£192.50	£198.10	£12.90
70.0	Stockholders Investment Trust	Ordinary 25p	30/3/79	2.35	146.0	151.2	12.1
	G.T. Management Ltd.						
20.0	Berry Trust	Ordinary 25p	31/3/79	1.0625	99.6	99.6	6.1
	Do. Do.	Conv. Loan 1993	31/3/79	£4.25	£144.40	£144.40	£8.90
‡20.9	G.T. Japan Investment Trust	Ordinary 25p	31/3/79	2.0	219.5	219.5	10.6
	Do. Do.	Conv. Loan 1987	31/3/79	£8.50	£136.10	£136.10	£6.60
8.3	Northern Securities Trust	Ordinary 25p	31/3/79	3.45	188.0	194.0	11.0
	Hambros Group						
†	Bishopsgate Trust	Ordinary 25p	30/3/79	†	†	†	†
†	City of Oxford Investment Trust	Ordinary 25p	30/3/79	†	†	†	†
†	Hambros Investment Trust	Ordinary 25p	30/3/79	†	†	†	†
	Hambros Group (continued)			Pence except where £ stated (see note d)			
8.1	Rosedimond Investment Trust	Cap. Shares 25p	30/3/79	—	159.0	159.0	1.6
	Henderson Administration						
‡156.6	Witan Investment	Ord. & "B" Ord. 25p	30/3/79	*2.5	137.4	142.7	10.1
23.1	Electric & General Investment	Ordinary 25p	30/3/79	§1.7	115.7	116.9	9.4
7.5	Greenfriar Investment	Ordinary 25p	30/3/79	1.65	145.5	145.5	11.6
7.6	Lowland Investment	Ordinary 25p	30/3/79	2.5	82.9	82.9	1.1
‡2.8	English National Investment	Prefd. Ord. 25p	30/3/79	2.02	39.6	40.6	—
	Do. Do.	Defd. Ord. 25p	30/3/79	3.18	83.4	87.4	—
	Philip Hill (Management) Ltd.						
23.2	City & International Trust	Ordinary 25p	31/3/79	4.7	150.8	155.7	5.6
12.8	General & Commercial Inv. Trust	Ordinary 25p	31/3/79	6.87	207.7	217.9	6.8
26.5	General Consolidated Inv. Trust	Ordinary 25p	31/3/79	4.25	127.4	130.2	4.2
149.2	Philip Hill Investment Trust	Ordinary 25p	31/3/79	†	274.0	277.9	5.8
6.5	Moorgate Investment Co.	Ordinary 25p	31/3/79	3.82	129.3	131.5	1.4
42.2	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	31/3/79	†	100.6	103.7	5.3
	Industrial & Commercial Fin. Corpn.						
†	London Atlantic Inv. Trust	Ordinary 25p	31/3/79	†	†	†	†
8.7	North British Canadian Inv. Co.	Ordinary 25p	31/3/79	3.3	120.8	—	0.4
	Ivory & Sime Limited						
49.5	Atlantic Assets Trust	Ordinary 25p	30/3/79	0.4	153.2	153.2	20.2
†	British Assets Trust	Ordinary 25p	30/3/79	†	†	†	†
36.6	Edinburgh American Assets Trust	Ordinary 25p	30/3/79	ac0.6	ac76.8	ac78.3	ac11.4
16.9	Viking Resources Trust	Ordinary 25p	30/3/79	1.32	141.3	141.3	13.4
	Keyser Ullmann Ltd.						
54.5	Throgmorton Trust	Ordinary 25p	30/3/79	4.875	119.9	121.9	—
13.1	Throgmorton Secured Growth Tst.	£1 Cap. Loan Stock	30/3/79	—	—	217.2	—
	Kleinwort Benson Ltd.						
31.6	British American & General Trust	Ordinary 25p	30/3/79	1.85	60.9	62.0	2.6
25.9	Brunner Investment Trust	Ordinary 25p	30/3/79	4.0	155.6	158.5	7.6
36.1	Charter Trust & Agency	Ordinary 25p	30/3/79	2.45	83.7	86.0	4.2
46.7	English & New York Trust	Ordinary 25p	30/3/79	3.0	112.7	114.2	5.8
5.6	Family Investment Trust	Ordinary 25p	30/3/79	4.6	126.4	126.4	0.1
3.6	Jos Holdings	Ordinary 25p	30/3/79	2.375	73.3	73.3	1.2
7.6	London Prudential Invest. Trust	Ordinary 25p	30/3/79	3.1	121.7	124.3	4.9
56.5	Merchants Trust	Ordinary 25p	30/3/79	3.0	105.3	108.8	8.4
	Lazard Bros. & Co. Ltd.						
‡55.2	Raeburn Investment Trust	Ordinary 25p	31/3/79	4.05	184.4	191.1	12.2
‡42.6	Romney Trust	Ordinary 25p	31/3/79	3.0	134.5	137.1	10.1
	Martin Currie & Co., C.A.						
†	Canadian & Foreign Invest. Trust	Ordinary 25p	31/3/79	3.85	†	†	†
21.6	St. Andrew Trust	Ordinary 25p	31/3/79	4.9	174.4	179.6	10.9
106.1	Scottish Eastern Investment Trust	Ordinary 25p	31/3/79	4.8	157.4	194.1	15.6
†	Scottish Ontario Investment Co.	Ordinary 25p	31/3/79	2.175	†	†	†
†	Securities Trust of Scotland	Ordinary 25p	31/3/79	6.85	†	†	†
	Murray Johnstone Ltd.						
‡50.7	Caledonian Trust	Ord. & "B" Ord. 25p	31/3/79	*1.85	111.6	115.5	11.7
‡75.3	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	31/3/79	*1.9	106.2	109.0	11.3
18.3	Glendevon Investment Trust	Ord. & "B" Ord. 25p	31/3/79	*1.85	138.3	142.8	14.2
7.5	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	31/3/79	*1.95	113.2	113.2	10.5
‡84.5	Scottish Western Investment Co.	Ord. & "B" Ord. 25p	31/3/79	*2.55	133.5	138.8	13.8
‡28.2	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	31/3/79	*2.0	121.6	125.3	13.1
	Schroder Wagg Group						
24.2	Ashdown Investment Trust	Ordinary 25p	31/3/79	4.6	208.3	215.0	15.7
	Do. Do.	Conv. Loan 1988/93	31/3/79	£4.75	£145.80	£150.50	£11.00
7.5	Australian & International Trust	Ordinary 50p	31/3/79	5.0	125.3	125.3	16.5
33.4	Broadstone Investment Trust	Ordinary 20p	31/3/79	5.7	222.5	230.6	17.7
	Do. Do.	Conv. Loan 1988/93	31/3/79	£4.50	£148.30	£153.70	£11.80
58.7	Continental & Industrial Trust	Ordinary 25p	31/3/79	6.4	305.5	316.1	11.1
‡33.5	Trans-Oceanic Trust	Ordinary 25p	31/3/79	5.5	260.1	266.4	21.4
‡15.0	Westpool Investment Trust	Ordinary 25p	31/3/79	3.3	157.9	160.7	12.9
	Do. Do.	Conv. Loan 1989/94	31/3/79	£5.00	£142.10	£144.70	£11.60
	Stewart Fund Managers Ltd.						
78.5	Scottish American Investment Co.	Ordinary 50p	31/3/79	2.95	121.0	122.0	5.8
†	Scottish European Investment Co.	Ordinary 25p	31/3/79	†	†	†	†
	Touche Remnant & Co.						
123.1	Atlas Electric & General Trust	Ordinary 25p	30/3/79	1.9	99.3	102.3	3.6
35.9	Bankers' Investment Trust	Ordinary 25p	30/3/79	2.55	85.7	90.6	3.4
35.5	Cedar Investment Trust	Ordinary 25p	30/3/79	2.75	101.2	103.5	4.1
49.0	City of London Brewery	Deferred 25p	30/3/79	2.76	95.1	99.6	0.8
34.1	Continental Union Trust	Ordinary 25p	30/3/79	3.5	183.4	188.7	9.7
17.7	C.L.R.P. Investment Trust	Ordinary 25p	30/3/79	2.1	107.4	112.1	4.5
204.3	Industrial & General Trust	Ordinary 25p	30/3/79	1.75	84.4	86.7	3.7
46.2	International Investment Trust	Ordinary 25p	30/3/79	2.94	118.6	124.0	4.3
61.2	Sphere Investment Trust	Ordinary 25p	30/3/79	3.3	183.3	187.7	8.5
76.0	Trustees Corporation	Ordinary 25p	30/3/79	4.85	231.5	237.8	7.2
41.8	Trust Union	Ordinary 25p	30/3/79	3.4	172.0	176.5	6.2
	Williams & Glyn's Bank Ltd.						
14.0	Sizewell European Invest. Trust	Ordinary 10p	31/3/79	1.8	107.1	107.1	6.2
2.9	Atlanta Baltimore & Chicago	Ordinary 10p	31/3/79	0.75	67.1	67.1	3.4
3.5	West Coast & Texas Regional	Ordinary 10p	31/3/79	1.1	84.8	84.8	5.9
	VALUATION THREE-MONTHLY						
2.5	Lancashire & London Inv. Trust	Ordinary 25p	30/3/79	2.0	62.0	62.0	0.5
8.7	Oil & Associated Investment Trust	Ordinary 25p	30/3/79	2.0955	84.5	85.3	5.5
	Do. Do.	Conv. Loan Stock	30/3/79	£6.25	£190.10	£191.90	£12.40
19.5	River Plate & General Inv. Trust	Deferred 25p	30/3/79	7.0	235.7	240.6	5.7
12.2	Safeguard Industrial Investments	Ordinary 25p	30/3/79	4.0	121.1	123.0	—
9.7	Scottish & Mercantile Inv. Co.	Ord. & "A" Ord. 25p	30/3/79	3.367	174.9	174.9	2.0
10.3	Scottish Cities Investment Trust	Ord. & "A" Ord. 25p	30/3/79	8.75	311.5	312.5	3.0
19.3	Yeoman Investment Trust	Ordinary 25p	31/3/79	8.625	282.4	287.8	7.4
	Do. Do.	Conv. Loan 1993	31/3/79	£4.50	£155.30	£158.30	£4.00
	East of Scotland Inv. Managers						
11.8	Dominion & General Trust	Ordinary 25p	28/3/79	8.5	257.3	267.9	29.8
31.0	Pentland Investment Trust	Ordinary 25p	28/2/79	4.55	164.7	169.3	19.9
	Rivermoor Mngmnt. Services Ltd.						
16.2	Moorside Trust	Ordinary 25p	30/3/79	5.225	140.6	144.8	7.3
36.5	River & Mercantile Trust	Ordinary 25p	30/3/79	9.5	268.6	278.3	1.6

* Applies to Ordinary/"A" Ordinary only. † Company will announce year-end or interim results shortly. ‡ Change in the prior charges since the previous published figure. § Includes special dividend. ac Adjusted for scrip issue. ar Adjusted for rights issue. x See note (h) below. ⊕ Not directly comparable with previous published figure. B Dependent on "B" share conversions.

Notes:—

(a) Cols. 1, 6, 7 Quoted investments are valued at mid-market prices; unquoted at directors' valuation; both include 100 per cent. of any investment currency premium after taking into account the premium on any surplus or on any shortfall of foreign currency assets against foreign currency loans.
(b) Cols. 1, 6, 7 All revenue account items are excluded.
(c) Cols. 1, 6, 7 No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.
(d) Cols. 5-8 Amounts are per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated; columns 6-8 to nearest one-tenth of a penny per share and 10p per £100 Convertible Loan Stock.
(e) Col. 5 Dividend is the last declared annual dividend or firm forecast, excluding imputation credit. Interest on loan stocks is stated gross of income tax.
(f) Cols. 6-7 Prior charges are deemed to include preference share capital.
(g) Col. 8 The amount per share/stock unit represented by 100 per cent. of the investment currency premium applied in calculating the valuation for Cols. 1, 6 and 7.
(h) Cols. 6-8 Convertible loan/preference stocks are treated in the way which produces the lower n.a.v. per share. Convertible stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" as prior charges; warrants or subscription rights are treated as unexercised.

AITC

A free booklet "Investing in Investment Trust Companies" is available from The Association of Investment Trust Companies, Park House (6th Floor), 16, Finsbury Circus, London EC2M 7JJ

NOTICE OF REDEMPTION TO THE HOLDERS OF

Ente Nazionale per l'Energia Elettrica (ENEL)

(Italian National Electric Energy Agency)

Guaranteed Floating Rate Loan Notes 1980

NOTICE IS HEREBY GIVEN, that pursuant to the Fiscal Agency Agreement dated May 27, 1970, there has been selected for redemption on May 31, 1979, through operation of the Sinking Fund, $10,000,000 principal amount of Ente Nazionale per l'Energia Elettrica (ENEL) Guaranteed Floating Rate Loan Notes 1980. The following are the serial numbers of the Loan Notes which will be redeemed, in whole or in part:

Loan Notes in the principal amount of $1,000 bearing the prefix M to be redeemed in whole.

[illegible]

(Continued on following page)

(Continued from preceding page)

Loan Notes in the principal amount of $10,000 bearing the prefix X and the principal amount to be redeemed.

Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed
817	$3,000	7894	$2,000	8871	$2,000	8923	$1,000	8975	$2,000
1629	1,000	7896	1,000	8872	1,000	8924	2,000	8976	1,000
2888	2,000	7904	1,000	8873	1,000	8925	1,000	8977	2,000
3477	2,000	7917	2,000	8874	3,000	8926	1,000	8978	1,000
4368	1,000	7918	1,000	8875	2,000	8927	1,000	8979	3,000
4882	1,000	7920	1,000	8876	1,000	8928	1,000	8980	1,000
4895	2,000	7921	2,000	8877	1,000	8929	1,000	8981	2,000
5280	1,000	7924	1,000	8878	2,000	8930	2,000	8982	2,000
5479	2,000	7925	1,000	8879	1,000	8931	1,000	8983	1,000
5584	1,000	7929	2,000	8880	1,000	8932	1,000	8984	2,000
5622	2,000	7931	1,000	8881	2,000	8933	2,000	8985	1,000
5629	1,000	7972	2,000	8882	1,000	8934	1,000	8986	3,000
5647	2,000	8021	1,000	8883	1,000	8935	1,000	8987	1,000
5658	3,000	8062	1,000	8884	1,000	8936	2,000	8988	1,000
5675	1,000	8065	2,000	8885	3,000	8937	1,000	8989	2,000
5698	2,000	8241	3,000	8886	3,000	8938	3,000	8990	1,000
5788	1,000	8311	2,000	8887	1,000	8939	1,000	8991	2,000
5879	1,000	8447	1,000	8888	1,000	8940	1,000	8992	1,000
5890	2,000	8493	2,000	8889	1,000	8941	2,000	8993	2,000
6143	1,000	8495	1,000	8890	2,000	8942	1,000	8994	1,000
6200	1,000	8506	3,000	8891	1,000	8943	1,000	8995	1,000
6376	1,000	8507	1,000	8892	1,000	8944	3,000	8996	2,000
6524	2,000	8510	2,000	8893	1,000	8945	3,000	8997	1,000
6565	1,000	8512	1,000	8894	3,000	8946	1,000	8998	2,000
6611	2,000	8516	3,000	8895	1,000	8947	2,000	8999	2,000
6726	3,000	8518	1,000	8896	3,000	8948	1,000	9000	1,000
6736	1,000	8616	2,000	8897	1,000	8949	1,000	9001	3,000
6902	1,000	8641	1,000	8898	1,000	8950	1,000	9002	1,000
6922	3,000	8669	1,000	8899	2,000	8951	1,000	9003	2,000
6933	1,000	8724	2,000	8900	1,000	8952	1,000	9004	1,000
6975	1,000	8725	1,000	8901	1,000	8953	1,000	9005	1,000
7017	2,000	8793	1,000	8902	2,000	8954	1,000	9006	3,000
7023	1,000	8814	2,000	8903	1,000	8955	1,000	9007	2,000
7216	1,000	8836	1,000	8904	1,000	8956	1,000	9008	2,000
7232	2,000	8853	2,000	8905	2,000	8957	2,000	9009	3,000
7233	1,000	8854	1,000	8906	2,000	8958	2,000	9010	1,000
7234	3,000	8855	1,000	8907	1,000	8959	1,000	9011	2,000
7235	2,000	8856	2,000	8908	3,000	8960	1,000	9012	1,000
7236	1,000	8857	1,000	8909	1,000	8961	3,000	9013	2,000
7254	1,000	8858	1,000	8910	3,000	8962	3,000	9014	1,000
7308	2,000	8859	2,000	8911	1,000	8963	1,000	9015	2,000
7350	1,000	8860	1,000	8912	1,000	8964	3,000	9016	1,000
7352	1,000	8861	1,000	8913	2,000	8965	1,000	9017	3,000
7523	2,000	8862	3,000	8914	1,000	8966	1,000	9018	1,000
7561	1,000	8863	1,000	8915	1,000	8967	2,000	9019	1,000
7606	3,000	8864	1,000	8916	1,000	8968	1,000	9020	2,000
7738	3,000	8865	2,000	8917	1,000	8969	1,000	9021	2,000
7740	2,000	8866	2,000	8918	2,000	8970	1,000	9022	1,000
7885	1,000	8867	1,000	8919	1,000	8971	2,000	9023	2,000
7888	1,000	8868	1,000	8920	1,000	8972	1,000	9024	1,000
7889	2,000	8869	2,000	8921	2,000	8973	1,000	9025	3,000
7893	1,000	8870	1,000	8922	1,000	8974	1,000	9026	2,000

Loan Notes in the principal amount of $100,000 bearing the prefix C and the principal amount to be redeemed.

Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed
1609	$15,000	1665	$14,000	1674	$11,000	1683	$17,000	1692	$13,000
1617	12,000	1666	13,000	1675	15,000	1684	13,000	1693	16,000
[illegible]	16,000	1667	14,000	1676	16,000	1685	15,000	1694	14,000
1633	15,000	[illegible]	16,000	1677	13,000	1686	12,000	1695	14,000
1641	13,000	1669	14,000	1678	15,000	1687	15,000	1696	13,000
1649	15,000	1670	15,000	1679	14,000	1688	12,000	1697	16,000
1662	15,000	1671	14,000	1680	16,000	1689	16,000		
1663	14,000	1672	11,000	1681	12,000	1690	14,000		
1664	16,000	1673	15,000	1682	16,000	1691	15,000		

Loan Notes in the principal amount of $500,000 bearing the prefix D and the principal amount to be redeemed.

Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed
236	$74,000	240	$74,000	244	$72,000	248	$73,000	252	$74,000
237	71,000	241	72,000	245	71,000	249	71,000	253	72,000
238	73,000	242	70,000	246	74,000	250	74,000		
239	70,000	243	73,000	247	72,000	251	70,000		

Accordingly, on May 31, 1979 the Loan Notes or portions thereof so designated for redemption will become and be due and payable, subject to the deposit of the funds with the Fiscal Agent, at one-hundred percent (100%) of the principal amount thereof in United States dollars, at the option of the holder, either (a) at the corporate trust office of Bankers Trust Company, New York, New York 10006 or (b) subject to any applicable laws or regulations in the country where each of the following offices is located, at the City Office of Bankers Trust Company in London, at the Office of S. G. Warburg & Co. Limited in London, or at the main offices of Banque Internationale à Luxembourg and Banque de Suez, Luxembourg in Luxembourg-Ville.

The redeemed Loan Notes (with the exception of the Loan Notes set forth in the following paragraphs) should be presented with all coupons maturing after May 31, 1979. Coupons maturing on May 31, 1979 and prior thereto should be detached and surrendered for payment in the usual manner. From and after May 31, 1979, interest on redeemed Loan Notes or portions thereof to be redeemed will cease to accrue.

Certain Loan Notes which were called for redemption in whole or in part on May 28, 1976 have not been presented for payment. Loan Notes numbers M8558, M8561, M84549, were called in whole. The following Loan Notes in the principal amount of $10,000 bearing the prefix X were called in part:

Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed
400	$3,000	2510	$1,000
404	2,000	5438	1,000
1927	2,000	5442	1,000

Loan Notes in this paragraph should be presented with all coupons maturing after May 28, 1976.

Certain Loan Notes which were called for redemption on May 31, 1977 have not been presented for payment. Loan Notes numbered M1704, M3560, M6565, M6680, M6785, M11182, M27960, M34542 and M54129 were called in whole. Loan Notes in this paragraph should be presented with all coupons maturing after May 31, 1977.

Certain Loan Notes which were called for redemption in whole or in part on May 31, 1978 have not been presented for payment. The following Loan Notes were called in whole:

M1468, M3728, M6780, M6876, M7470, M10453, M10505, M12562, M31706, M32980, M33899, M33901, M33903, M33908, M33914, M33918, M33920, M33926, M33929, M33930, M33931, M33935, M33939, M33942, M33957, M33960, M33968, M34548, M34558, M35111, M35116, M36406, M36472, M44062, M63001, M63145, M63304 M65723, M66888, M66893.

The following Loan Notes in the principal amount of $10,000 bearing prefix X were called in part:

Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed
3300	$1,000	5014	$1,000
4995	2,000	5016	1,000
4997	2,000		

Loan Notes in this paragraph should be presented with all coupons maturing after May 31, 1978.

The holder of any Loan Note which is redeemed in part only upon surrender thereof as above provided shall obtain in exchange for the unredeemed portion thereof at no additional cost an equal aggregate principal amount of Loan Notes of authorized denominations.

BANKERS TRUST COMPANY
Fiscal Agent

Dated: April 27, 1979

UK COMPANY NEWS

Increase for Border Breweries

PRE-TAX profits of Border Breweries (Wrexham) rose from £809,925 to £895,052 in the year to February 28, 1979, on turnover ahead from £11.42m to £12.28m.

At the halfway stage the taxable surplus was static at £485,000. The directors then said that unless the economic situation improved they could not foresee any large profits increase.

Tax takes £472,629, against £414,689, and after an extraordinary item this time of £27,320, profit is up from £395,256 to £449,745.

The final dividend of 2.591p net per 25p share takes the total from 3.503p to 3.911p.

Dowding & Mills up 28% midway

Dowding and Mills, the Birmingham-based electrical and mechanical engineers, reports an increase of 28 per cent to £1.04m in group pre-tax profit for the first half of 1978-79.

Although this momentum is not expected to continue into the second six months Mr. Kenneth Sharp, chairman, expresses confidence that the full year's result will be ahead of the record £1.74m achieved in 1977-78.

The interim dividend is increased from 0.545p to 0.59p per 5p share—the total for 1977-78 was 1.2p.

Group turnover showed an increase of 23 per cent to £6.54m. After tax of £415,000 (£348,000), the net profit came out at £621,986 against £461,307.

Ellis and Goldstein well ahead

TAXABLE PROFITS of Ellis and Goldstein (Holdings) jumped from £1.23m to £1.82m in the year to January 31, 1979, on total turnover ahead from £30.59m to £35.69m. The directors say the better profit rate came from greater volumes and a better retail performance.

They add that the sales improvement at wholesale prices, which began last year, has continued with a gain of almost 22 per cent. But spring retail sales, although up on last year, have been affected by the bad weather.

The Board says the value of wholesale orders being taken for this autumn is satisfactory, and the reception of those collections gives encouragement for the second-half.

At midway in 1978 the women's clothing group had progressed from £468,000 to £685,000.

A second interim dividend of 1.15845p net per 5p share lifts the total from 1.9199p to 2.1265p. Stated earnings per share are ahead from 4.2p to 6.1p.

	1978/79 £'000	1977/78 £'000
Turnover	35,686	30,594
At wholesale prices	13,852	11,390
At retail prices	21,834	19,204
Trading profit	1,866	1,260
Interest	42	35
Pre-tax profit	1,824	1,225
Taxation	421	270
Net profit	1,403	955
Net surplus on prop. disposals	180	—
Dividends	496	446
Retained	1,087	509

F. Cooper up to £291,618 at halfway

Taxable profits of Frederick Cooper (Holdings), processor of cold rolled steel strip and formed sections, rose from £252,309 to £291,618 in the half-year to January 31, 1979. Turnover increased from £5.29m to £6.35m.

After tax of £151,641 (£131,201), net profit came through at £139,977 compared with £121,108. The net interim dividend is maintained at 0.33p—last year's total payment was 1.116p, on pre-tax profits of £532,375.

Sheffield Twist hit by stronger pound

The recovery of sterling hit pre-tax profits of Sheffield Twist Drill and Steel Co. The surplus slipped from £2.67m to £2.38m in 1978 on turnover higher at £25.92m, compared with £23.46m.

At midway, reporting profits unchanged at £1.44m, the directors said the prospects appeared to be good.

The company is a subsidiary of Aktiebolaget SKF.

British Assets goes ahead to £1.93m

Taxable revenue of British Assets Trust rose from £1.5m to £1.93m in the half year to March 31, 1979. The figure was struck after interest and expenses of £726,000 (£728,000).

Net asset value is ahead from 87.9p to 100.1p.

Tax for the half year takes £789,000 (£563,000) and stated earnings per 25p share are lifted from 0.91p to 1.12p. The second quarterly dividend is up from 0.65p net to 0.7p.

For the whole of last year taxable profits were £4.59m, against £3.7m.

MINING NEWS

De Beers in cooler but 'satisfactory' year

BY KENNETH MARSTON, MINING EDITOR

ALTHOUGH the hectic boom conditions of last year are unlikely to be repeated in 1979, "I believe it will still prove to be a satisfactory year for De Beers," says Mr. Harry Oppenheimer in his statement with the South African diamond giant's *annual report*.

Last year world sales of rough (uncut) diamonds handled by De Beers' Central Selling Organisation advanced by 23 per cent to a record $2.55bn (£1.25bn) against the background of a demand heightened by hedging against currency uncertainties.

The CSO brought the speculation under control by imposing temporary price surcharges of up to 40 per cent. Since then, "demand for rough has continued at a high level," says Mr. Oppenheimer, "but the market is now much quieter and the Christmas jewellery sales were lower than many people had expected. This represents a return to normality in the market."

The group's total diamond production in 1978 amounted to 12m carats. Good progress is being made by the expansion programme which aims to raise capacity to 19m carats a year in 1983. It is interesting to note that production from the Namaqualand mines in South Africa is now matching that from the group's Consolidated Diamond Mines in Namibia (South West Africa).

CDM, however, still accounts for nearly 20 per cent of De Beers net profits. To what extent this contribution will be affected when Namibia achieves full independence remains to be seen, but CDM is already paying some 65 per cent of its mining profits to the State.

In Botswana, the State take from the De Beers' operations there is 75 per cent. If Namibia raised its percentage to a similar amount, the CDM contribution to *De Beers' profits would only fall to just under 18 per cent. Significantly,* perhaps, the group is making a special prospecting effort to find new mining reserves for CDM.

● comment

Last year De Beers net profits advanced by 32 per cent to R741m (£426m) and the dividend was raised by 12½ cents to 65 cents. Assets expanded to R1.9bn, or 530 cents (304p) per share, while the cash balance nearly doubled to R1.29bn. Diamond sales by volume this year may not match the exceptional 1978 levels, but they will be enhanced by a full year of the big 30 per cent basic price increase which was made by the CSO in August after the surcharges had been dropped. Depending on the level of the *important U.S. demand,* which could be affected by any downturn in that country's economy, it seems that De Beers' profits from diamonds this year could be marginally higher than in 1978. Non-diamond income will show a substantial increase, notably from interest on the huge cash balance and higher dividends from the gold mining investments. Total earnings per share for 1979 could thus move from last year's 205 cents towards 225 cents. Depending on group policy in the light of circumstances early in 1980, the year's dividend total could be raised from 65 cents to, possibly, 75 cents. On a prospective p/e *of under 4 in cum-premium form* and with a current yield in that form of around 10 per cent, the shares remain a hold. Potential buyers, however, might await the CSO half-yearly sales figure which is due in July.

GROWING GERMAN STAKE IN TECK

Metallgesellschaft, the major German minerals group, is to invest a further C$22m (£9.45m) in Teck Corporation, the Canadian resources group which earlier this week announced plans to start work on a new copper-molybdenum mine in British Columbia. The investment could bring the Metallgesellschaft stake in Teck up to 18 per cent.

The German group bought a 10 per cent stake in Teck during 1977 and the latest arrangement is a logical conclusion to the developing co-opration between the two groups.

"We check with Teck before we make a decision and we try *to come to joint decisions,"* said Mr. Karl Ratjen, the Metallgesellschaft *chairman*, in a Canadian press interview earlier this month.

Under the terms of the latest agreement, the German group will purchase a package of Class B common shares and a parcel of preferred shares which are convertible into Class B shares. Mr. Ratjen, when announcing the deal, said that Metallgesellschaft's equity may be built up further.

Metallgesellschaft now becomes *the second largest shareholder in Teck.* The largest is Copperfield Mining Corporation with 52 per cent. The chairman of both Copperfield and Teck is Dr. N. B. Keevil.

Beralt may pay 4p dividend

BERALT TIN AND WOLFRAM may be able to pay a dividend of 4p a share from the 1978 earn*ings of its Portuguese operating* subsidiary, it was announced yesterday. Such a distribution would be permited on the basis of the current exchange rate between the escudo and sterling, following the subsidiary's declaration of a dividend of Es 120m (£1.2m).

But the funds have not yet been received from Portugal and over the past year the escudo has depreciated against sterling. *If this continues, then the actual payment to shareholders could be marginally less.* Last year the dividend from the 1977 earnings of the subsidiary was also 4p.

The putative maintenance of the dividend takes place against a background of lower profits for Beralt. Net earnings for 1978 were £1.16m, compared with £1.76m in 1977.

This is mainly the result of lower prices for wolfram concentrate. Beralt pointed out that the average Metal Bulletin quotation for last year was $147.15 a tonne against $174.76 in 1977. To some extent it was possible to offset the fall by increased production, but not completely.

Output from the Panasquiera *mine rose to 1,450 tonnes last* year from 1,287 tonnes in 1977, *checking a declining trend* which had lasted for four years. It *looks, therefore, as if the operating* subsidiary succeeded in overcoming the labour difficulties which plagued it in 1977.

Sales of wolfram concentrate at 1,452 tonnes last year kept pace with production and were 144 tonnes higher than in 1977.

The figures for 1978 incorporate those of Mines de Borralha for only three weeks. Borralha was acquired from a French concern last year and, apart from giving Beralt extra plant facilities, should add 360 tonnes a year to the group's output. It should thus make a sizeable contribution to earnings during the current year.

Lights shine brightly for Falconbridge

THE LIGHTS have come back on again and are shining brightly for Falconbridge Nickel, *the second largest of the Canadian producers, reports* John Soganich from Toronto.

First quarter net profits for 1979 is C$21.2m (£9.1m), or C$3.99 a share, compared with a loss of C$2.6m, or a deficit of 73 cents a share, in the same period of last year. The latest figures come after a credit of C$4.1m *for deferred income* taxes arising from the prior *year's losses.*

Nevertheless, the quarterly profit was the *highest in the* company's history. There were a *number of reasons for the surge:* improved prices for cobalt, the discount of the Canadian dollar, an increase in the amount of nickel sold and more profitable selling prices for copper and precious metals.

Refined nickel sales during the 1979 first quarter included stocks accumulated last year, but at a price lower than current costs. Sales were almost doubled over the comparable quarter at *26.4m lbs. But the company* warns that because of long-term *contract pricing formulae* and commitments made before the *recent price rise announcements,* the effect of the latest increases "will only become apparent in later quarters of the current year."

Falconbridge made a profit in the first quarter of C$12.2m from its integrated nickel operations, that is to say Sudbury in Canada and Norway, compared with a loss of C$700,000 in the 1978 first quarter. But although sales from the Dominican nickel subsidiary rose 79 per cent, the higher volume was offset by higher costs and a lower average selling price. Thus the sub*sidiary's loss was only slightly* lower at C$1m.

ROUND-UP

Canada Tungsten Mining's programme of expansion to increase annual production to 10m lbs from 6m lbs at a cost of C$15m (£6.4m) is on schedule for completion in July. The company is 65 per cent owned by Amax of *the U.S. and 20.1 per cent* by Dome Mines; its net income last *year increased by 25 per cent to* a record C$20.2m.

* * *

The veteran South African gold producer, East Daggafontein, is to be wound up at the end of 1980, this being conditional on East Rand Gold and Uranium purchasing the mine's three slimes dams. Ergo has an 18-month option to purchase the dams.

De Beers in 1978 Mr H F Oppenheimer reports

Sales by the Central Selling Organisation in 1978 at US $2 552 million reached a record level for the third year in succession and exceeded the 1977 figure by 23 per cent. The Group's net attributable profit at R 741 million compared with R 563 million increased by 32 per cent and deferred dividends were raised from 52.5 cents to 65 cents per share, an increase of 24 per cent. Allowing for minority interests the total value of net investments, loan levy at R 95 million and net current assets attributable to De Beers at 31st December was R 1 908 million, or 530 cents per deferred share as compared with 351 cents the previous year.

In accordance with a change in accounting practice which is referred to in the Directors' Report, maintenance capital expenditure is deducted in the diamond account and export duty is now included in the general provision for tax instead of being deducted, as was past practice, from the diamond account. I believe that these changes will help to give shareholders a clearer picture of thesituation of the Company. In the accounts the 1977 figures have been adjusted so as to be directly comparable with those for the year under review.

Diamond Market

In my Statement for 1977 I drew attention to an excessive level of speculation in the market for rough diamonds which had resulted in high premiums above CSO prices being paid in the secondary markets. These premiums were related to fears about the instability of currencies and the increasing use of diamonds as a store of value. While the use of diamonds as a store of value is, I believe, likely to continue at a higher level than in the past, the trading of diamonds at prices quite unrelated to those that can be currently sustained in the jewellery market is a threat to the stability of the trade which it is the prime objective of the CSO to maintain. The CSO did not therefore raise its basic prices until it could be satisfied that a higher level would be maintained in the long term, and it dealt with the abnormal trading conditions which had developed by introducing temporary surcharges on top of the basic selling prices which were held at levels judged to be in a sound relationship with conditions in the jewellery trade. Accordingly, at the March sight last year, at the height of the speculative boom, a surcharge of 40 per cent was introduced and as the market gradually returned to more normal conditions the surcharge was progressively reduced to 25 per cent, 15 per cent and 10 per cent for the three successive sights. By August a situation had been reached in the markets for rough and polished diamonds in which it was judged right to cancel the surcharge and replace it with a price increase on a permanent basis. In view of the fact that stocks of polished had built up in the cutting centres we decided on the substantial average increase of 30 per cent in order to encourage the liquidation of these stocks, and in the knowledge that this might result in some temporary reduction in the level of our sales. In practice the demand for rough has continued at a high level but the market is now much quieter and the Christmas jewellery sales were lower than many people had expected. This represents a return to normality in the market and although in 1979 we are unlikely to experience the hectic boom conditions of 1978, I believe it will still prove to be a satisfactory year for De Beers.

The demand for industrial diamonds has remained strong and sales in 1978 were higher than in the previous year. Synthetic grit sales also increased and substantial expansion programmes are underway to increase the Group's productive capacity particularly in higher qualities and coarser sizes.

Diamond Production

Total diamond production by the Group (including the Orapa and Letlhakane Mines which are owned jointly by De Beers and the Government of Botswana) was 12 million carats as compared with 11.8 million carats in 1977. The increase was due to higher production from Finsch, Namaqualand and Botswana, offset by slightly lower production from the Kimberley Mines, Koffiefontein and CDM. The major capital programmes, to which I referred last year, undertaken in order to increase the Group's productive capacity, are making good progress. In Namaqualand the new Koingnaas Mine is now operating at its planned capacity of 500 000 carats per annum and it is of interest to note that production from the Namaqualand Mines now exceeds that from CDM. Work is in progress to increase the productive capacity of Koingnaas to 750 000 carats a year by 1980 and the Finsch Mine's productive capacity of 2.6 million carats a year is due to be increased to over 3.5 million carats by 1980.

The expansion of Orapa is now complete and production from this mine, which amounted to 2.5 million carats last year, will reach an annual rate of 4.1 million carats in the course of 1979 while Letlhakane, which produced 330 000 carats in 1978 will bring its production to the rate of 400 000 carats a year, by the year end. The agreement with the Government of Botswana for the opening of the Jwaneng Mine has now been concluded and work which is estimated to cost about Pula 260 million at this very important property is actively going forward. Altogether our expansion programme is designed to raise the Group's present productive capacity of 12 million carats a year to 19 million carats in 1983.

Prospecting

A large-scale prospecting programme was continued in Africa and also in Brazil and Australia. In South West Africa/Namibia a special effort is being made to establish new reserves which might extend the life of CDM's mining operations. CDM accounts for nearly 20 per cent of the De Beers Company's profits and will be of major importance to the economy of the emergent state of Namibia. CDM is also participating with the Anglo American Corporation Group in prospecting for other minerals in the territory.

Employee Relations

Good progress has been made towards the elimination of the remaining elements of discrimination in regard to conditions of employment on the mines of the Group. By the end of this year all conditions of service in South Africa and South West Africa/Namibia should be aligned on an integrated wage scale on the basis of the Paterson system of evaluation.

Participation by black employees in the Company's home ownership scheme has been steadily expanded and it is planned to widen the scheme this year to include the Premier and Namaqualand divisions for the first time. Training programmes for all employees, which are part of an on-going long-term plan, continue to show encouraging results and it is intended to broaden their scope.

As I write this Statement the Minister of Finance has announced in his budget the removal of the 2.5 per cent discriminatory surcharge on the taxation paid by diamond (and gold) mining companies and a lowering by one-third of the loan portion of taxation on all companies. Both these changes are greatly to be welcomed.

Directorate

Mr G. W. H. Relly, a deputy Chairman of the Anglo American Corporation of South Africa Limited, was appointed a Director of the Company on 18th December, 1978. Mr A. S. Hall, the resident Director in Kimberley, retired after 50 years with the Company. Mr Hall's position has been filled by the election to the Board of Mr E M. Hodgson.

De Beers

De Beers Consolidated Mines Limited

De Beers Consolidated Mines Limited
(Incorporated in the Republic of South Africa)

For the full Report & Accounts for 1978 including the Chairman's Statement, please send this coupon to:
The London Secretaries, Room 1, 40 Holborn Viaduct, London EC1P 1AJ.

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Company ____________________
Address ____________________

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INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Sharp earnings gains for oil majors

BY STEWART FLEMING IN NEW YORK

THREE MORE leading oil groups have produced sharply higher first-quarter earnings.

Standard Oil of Ohio (Sohio), the BP subsidiary in the U.S., reported that its earnings in the fourth quarter quadrupled from $41.6m to $167.5m.

The rise reflects the increasing flow of oil through the $10bn Trans Alaska Pipeline. Sohio said that sales of its Alaskan crude oil averaged 554,800 barrels per day in the first quarter of 1979 compared with 382,600 barrels a day in the 1978 quarter, a rise of 60 per cent.

Most oil companies have been reporting sharply higher earnings, but Sohio is benefiting particularly from the Alaskan crude because of the big stake it holds in what is the largest single oil field in the U.S.

The rise in profits will undoubtedly be seized on by oil industry critics who argue that the oil companies are profiting too much from rising oil prices. President Carter is already arguing that recent profit announcements support the Administration's case for a windfall profits tax to accompany the decontrol of U.S. oil prices.

Standard Oil Company of California (Socal), America's fourth biggest oil group, boosted its net profits by 43 per cent, from $243m or $1.42 a share to $347m or $2.03 a share, on revenues up by only 21¼ per cent from $5.70bn to $6.92bn. The profit performance, in fact, is even better since 1978 figures have been restated for FAS 19 which increased last year's net by $15m or 8 cents a share.

Continental Oil's first-quarter returns look even better with net earnings showing a four-fold gain from $36.5m to $161.8m, or from 34 cents to $1.50 a share, on revenues up from $2.1bn to $2.8bn. Earnings in the 1978 period, however, were severely depressed by coal strikes.

Mr. Harold J. Haynes, Socal's chairman, commenting on his group's trading experience, said U.S. petroleum earnings declined modestly while foreign profits rose sharply in the period. Domestic earnings decreased $13m to $106m but foreign petroleum profits rose from $109m a year ago to $187m.

The company attributed the domestic profit decline to the high cost of product purchases on the spot market and inability to fully recover increased costs. A major reason for the higher foreign earnings was the strengthening U.S. dollar against the Japanese yen.

The dollar's strength against the yen added $21m to Socal's equity in Caltex earnings, compared with a $21m loss a year ago, or a positive change of $42m.

Worldwide gross production of crude oil and natural gas liquids rose 8 per cent to 3.4m barrels daily while worldwide sales of petroleum products increased by 10 per cent to 2.7m barrels daily. U.S. product sales rose 9 per cent to 1.3m barrels daily.

Good start at Eastman Kodak

NEW YORK. — Eastman Kodak enjoyed a strong first quarter, boosting net earnings for the first three months of 1979 by 40 per cent, from $141m to $197.5m on a sales gain of 18.8 per cent, from $1.38bn to $1.64bn. Net earnings were equal to $1.22 a share, compared with 87 cents a share in the first quarter last year.

Mr. Walter A. Fallon, chairman and chief executive, and Mr. Colby H. Chandler, president, commenting on the sharply higher earnings said that first quarter sales reflected a continuation of the strong demand experienced throughout 1978, with unit volume accounting for most of the sales gain in all three operating divisions.

Earnings advanced on the strength of increased unit volume and improved productivity.

Net earnings reflected the effects of increased interest income and a lower tax rate.

While economic growth is predicted to slow somewhat this year, the group anticipates that 1979 will be another year of good results for the company. In 1978, earnings soared to a record $902.3m or $5.59 a share.
AP-DJ

CAB allows Southern Airways merger with North Central

BY JOHN WYLES IN NEW YORK

THE Civil Aeronautics Board yesterday issued its first approval of a merger in the U.S. airline industry for more than seven years when it gave the go-ahead for the amalgamation of Southern Airways and North Central Airlines.

The decision, which is subject to the endorsement of President Carter because North Central ties to destinations outside the U.S., is also the first CAB ruling on a merger since the passage of the Airline Deregulation Act last November.

Most analysts believe it does not offer much of a clue to the CAB's possible stand on the batch of merger proposals involving National Airlines. This is because Southern and North Central are two relatively small regional carriers which are not in direct competition on any routes. North Central serves the Upper Midwest and Southern the South East.

However, the Board's discussion yesterday laid some emphasis on the merger not violating Federal anti-trust standards and on the absence of any anti-competitive effects.

North Central, which is the larger of the two airlines, with revenues last year of $76.3m, will be the dominant partner and its management will fill the top positions. It has a fleet of 56 aircraft, with McDonnell Douglas DC9's in the majority, compared with Southern's 38-strong fleet which includes 30 DC9's.

North Central's net income was $4.12m last year and Southern's $2.3m on revenues of $48.5m. The combination will be achieved through an exchange of North Central shares valued at about $25m.

Manufacturers Hanover buys UK bank

MANUFACTURERS HANOVER Trust Company said in London yesterday that it has received Federal Reserve Board authorisation to raise the equity ownership of its London merchant bank subsidiary from 75 per cent to 100 per cent by acquiring the minority interest now held by three institutions.

The U.S. bank is to acquire a 10 per cent interest in Manufacturers Hanover Ltd. from N. M. Rothschild and Sons and 5 per cent each from Riunione Adriatica di Sicurta and the Long-Term Credit Bank of Japan.

The bank said the acquisition is being made to facilitate co-ordination of its merchant banking activity on a worldwide basis.

Manufacturers Hanover Ltd. has not yet reported its results for 1978, but at the end of 1977 it had a net worth of about £8.39m ($17m) and a balance sheet total of £133.59m.

The merchant bank said that it managed or co-managed 48 syndicated bank loans in 1978, totalling about $15m.
Reuter

National Airlines chief attacks TXIA terms

By Our Financial Staff

IN A STATEMENT to shareholders, Mr. L. B. Maytag, chairman and chief executive of National Airlines, strongly attacked Texas International Airlines' (TXIA) revised merger proposal for National, and repeated his company's recommendation of a merger with Pan American World Airways.

In particular, Mr. Maytag said that TXIA's offer of $15 in cash and $35 in debentures was unsatisfactory.

Mr. Maytag said that TXIA was in effect asking National's shareholders to lend it a major portion of the purchase price to acquire National. In addition, he said that a National merger with TXIA would produce a company with an unsound financial structure.

"That company would have a combined capitalisation, based on TXIA's revised proposal, showing long-term debt of almost $504m and equity of only $41m." Mr. Maytag said. "This means that 92.5 per cent of the capitalisation would be long-term debt, a ratio of long-term debt to equity of 12:1. No other domestic trunk carrier has such a debt to equity burden," Mr. Maytag said.

Mr. Maytag said that TXIA should try to arrange an all-cash offer instead of a package of cash and debentures. He said that National is delivering a shareholder list to TXIA in response to a request, and that TXIA should explain to National shareholders, if it communicates with them, how it proposes to service the debt that it wants to impose on the combined company.

In a separate development, the Justice Department opposed Eastern Airlines' application to acquire National. In a post-hearing brief to the Civil Aeronautics Board, the department said that the merger would violate the anti-trust standard of the Airline Deregulation Act by greatly reducing competition in scheduled air passenger transport in several markets.

Despite Eastern's claims to the contrary, the merger would be likely to result in higher prices for consumers, particularly in cities in north-east Florida, said the Justice Department's assistant attorney general John Chenefield.

McGraw-Hill after the battle

The bitterness of McGraw-Hill shareholders over the rejection of the American Express take-over bid was highlighted at the AGM earlier this week, **Stewart Fleming** reports from New York.

IF Mr. Harold McGraw, chairman of publishers McGraw-Hill, had any illusions about the bitterness among shareholders at the rejection of the American Express $1bn takeover bid in January, they will have been shattered by the events at this week's annual meeting.

While American Express' annual meeting on Monday passed off without incident, Mr. McGraw found himself under attack for not letting shareholders vote on the American Express offer.

Over 500 shareholders turned up for the meeting, and in spite of the supportof McGraw-Hill employees who also own shares, Mr. McGraw and his fellow directors must have left the meeting convinced of the pressure on them to live up to their forecasts that the company will keep its earnings growth intact over the next three years.

The clearest indication of just how angry many shareholders are came when the votes were counted on the ballot for the election of the 14 directors.

Last year, the shareholders had registered their pleasure at the marked recovery in the company's fortunes since 1974 by casting 86 per cent of votes in favour of the Board and only 0.01 against.

On Tuesday, by contrast, their determined opposition to the Board came to the surface as a remarkable 12 per cent of votes were cast against the Board and only 67 per cent in favour.

Family shareholders account for around one-fifth of the equity. Even taking into account the fact that some of these votes may have gone against the Board—Mr. Donald McGraw, for example, has made no secret of his opposition to the rejection of the Amex deal—the directors must feel that in the eyes of the shareholders they are on trial. This is not surprising, given the fact that the share price is hovering around $26, compared with a final offer of $40 from

The company is in no doubt about what it needs to do to allay this unrest. Mr. McGraw painted a picture of a bright future for the business, forecasting further earnings gains for 1979 to follow the 24 per cent a year growth of the past three years and predicting "three more record years."

He also found himself having to deny reports that a swingeing cost-cutting operation is under way within the company in order to boost profits.

He conceded that "a few little things below the line" were being trimmed, but added that the company was not cutting back in people or in investment in the future.

The embattled mood in the McGraw-Hill boardroom contrasts sharply with the jaunty aggression which Amex is still projecting. There, Mr. James Robinson, the chairman, makes it clear that the company is still looking for takeover candidates. "Any company that has the resources to do it, owes it to its shareholders to look for growth through acquisition." Mr. Robinson says. He is equally certain, however, that the view that "professional management can manage anything" is "an accident looking for a place to happen."

Some analysts see American Express' search for takeover candidates partly as a consequence of the need to make good use of its strong cash position. Some feel that publishing or communications—television for example—are reckoned to be prime target areas, but Amex is generally perceived to be facing a difficult task in pulling off the acquisition it wants because of the failure of past efforts.

Thus, while undoubtedly McGraw-Hill's directors and top management are under the greatest public pressure, the Amex Boardroom will not be free of tensions either. Within the company, there has been dissatisfaction about the role which Mr. Roger Morley played in the McGraw-Hill affair, as a director of the publishing house. At the annual meeting, Mr. Howard L. Clark, 63, chief executive officer for 17 years, retired as chairman of the executive committee, while remaining a director.

Nuclear utility cuts dividend

By David Lascelles in New York

GENERAL Public Utilities (GPU), the owner of the Three Mile Island nuclear plant, yesterday cut its quarterly dividend by nearly half to 25 cents a share, but warned that the full costs of the accident had not yet been resolved.

Mr. William Kuhns, the chairman, said the cut "should not be viewed as an indication of our estimate of the current or future earnings power of the General Public Utilities common stock equity.

"We will not be able to make a reasonably firm estimate until substantial progress has been made toward resolving the cost, consequences and ratemaking treatment of the Three Mile Island unit number two accident."

He added that the Board had opted for a dividend which maintained continuity, yet reflected the company's efforts to save cash on all fronts.

GPU was also negotiating with a group of banks for a $400m revolving credit, and might issue securities of its subsidiaries, Mr. Kuhns said.

INTERNATIONAL CAPITAL MARKETS

Calendar of DM foreign bonds shows sharp fall

BY FRANCIS GHILES

A MAXIMUM of DM 475m worth of foreign Deutsche-Mark bonds will be floated during the next four weeks in the DM foreign bond market, the German capital markets sub-committee meeting in Frankfurt decided yesterday. This represents a sharp fall on the volume of new issues arranged during the past month, which amounted to DM 770m.

The new issues include DM 75m for a European address through Commerzbank on April 30, DM 100m for Imperial Chemical Industries through Deutsche Bank on May 7, and a DM 100m for a South American borrower through Westdeutsche Landesbank on April 18. Deutsche Bank may also bring DM 200m for the European Investment Bank, but issues for supranationals are not technically included in the calendar.

The Deutsche-Mark sector of the band market has been in poor shape for some weeks now because of the relentless increase in German domestic interest rates, although rates seem to be steadying now. Two factors are given by the optimists to support their belief that prices in the secondary foreign DM market may stabilise.

First of all, the yield gap between domestic and foreign Deutschemark bonds has narrowed: both on shorter maturities (six years) and longer maturities (10 years), foreign bonds today yield about 10 basis points less than domestic ones of similar maturity. Six months ago, the gap was closer to 150 basis points.

Secondly, the gap in interest rates and hence yields between the DM and dollar sectors has narrowed considerably.

The prices of seasoned DM foreign bonds fell again yesterday by about a point across the board. As much as anything else, what will help to stabilise the DM sector is the terms offered to investors: if they are reasonably generous, all will be well. If they are tight, bonds will inevitably fall to a sizeable discount in the secondary market.

The DM100m issue for the Council of Europe was priced at par yesterday by BHF Bank. Final terms include a coupon of 7½ per cent for 10 years.

In the dollar sector, prices of seasoned issues were down by about ¼ of a point. The $75m issue for Hydro Quebec, which had been priced at 99, opened at 96½-7. The lead manager, Credit Suisse First Boston, later moved its quote up to 96¾-97¼. This low opening bid is partly a reflection of the fact that the selling period, especially for such a long maturity bond, is too short a time during which to sell all the bonds. Hence it is hoped to attract investors by opening at a lower level. As it is, Hydro Quebec is still a name some investors will not touch for political reasons relating to the province, and in spite of the excellent track record of the utility itself.

Two new issues were announced yesterday, one for U.S. Leasing International, the other for Canadian Pacific, both through Orion Bank. The first is for $20m in the form of a five-year bullet, carrying an indicated coupon of 10 per cent. The second is for $50m for 10 years, with an indicated coupon of 9¾ per cent. A sinking fund will reduce the average life of this issue to 8.9 years.

Further new issues are expected today, despite the widespread feeling in the secondary market that the load of new issues is already too heavy.

In the Swiss franc market, prices moved up yesterday by about ¼ of a point. This brings the increase since the beginning of the week to about 1½ points. Trading remains quiet, however, as investors are still very cautious, waiting to see how the SwFr 100m for SNCF announced last Wednesday will be received.

The terms of this issue—a 4½ per cent coupon for 12 years with pricing at par—are in line with the market: a yield of 4.26 per cent is currently obtainable on the SNCF 4¼ per cent of 1992, which is trading at 104.

The decision to enlarge the issuing consortium, which is led by Soditic, was taken because of the number of failures before the public bond market was closed last month.

This technique is not expected to be used when further public issues are offered in the Swiss franc sector, but it was felt that with this issue acting as an icebreaker, it was necessary to ensure as wide a placement as possible.

Treasury plans to raise $2.5bn

BY OUR FINANCIAL STAFF

THE U.S. Treasury plans to raise $2.5bn in new cash through a sale of notes and bonds next week. In addition, Mr. Roger Altman, Assistant Treasury Secretary for Domestic Finance, said that the Treasury was giving serious consideration to the possibility of offering longer-term bonds, perhaps in the 40-year maturity area, at an appropriate time in the future.

At the quarterly refunding the Treasury will sell about $4.25bn in debt to help redeem $1.72bn in outstanding securities and to raise the fresh cash.

Specifically, the Treasury will sell $2.25bn in 10-year notes maturing on May 15, 1989, and $2bn in 30-year bonds maturing on May 15, 2009.

For the June quarter, the Treasury needs to raise some $1bn, and so far it has raised about half of this amount.

Mr. Altman said last night that the financing maintained the Treasury's commitment to a policy of debt extension. He said that the government is still considering foreign denomination offerings.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 26

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bayer Int. F. XW 7¾ 89	200	83⅞	84⅜	0	−0⅛	9.84
CECA 9¼ 84-89	50	96⅞	96⅜	−0¼	−0¼	9.80
Canada 9 83	400	97¾	98¼	−0⅛	−0⅛	9.79
Canada 9⅛ 98	350	96½	96⅞	−0⅛	−0⅛	9.87
Comalco Inv. E. 10¾ 91	40	99¾	99⅞	−0⅛	−0⅛	10.44
Dow Chem. O/S 9⅝ 94	200	97⅝	97⅞	−0⅛	+0⅛	9.93
EIB 9⅜ 98	125	94⅝	95⅛	−0⅛	−0¼	9.95
EIB 9⅜ 86	150	99¾	99⅞	−0⅛	−0⅛	9.93
EIB 9⅞ 98	100	99¾	100¼	0	−0⅛	10.13
Export Dv. Cpn. 9.85 84	150	100½	101	0	−0⅛	9.87
Export Dv. Cpn. 9⅜ 84	100	97½	98	0	−0⅛	9.84
Eksportfinans 9 88	50	98	98½	0	−0⅛	9.72
Finland 9 88	100	95	95½	−0⅛	−0⅛	10.12
Finland 9½ 88	100	97¾	97⅞	0	−0⅛	9.98
GTE Fin. 9½ 84	50	99⅜	99⅝	0	0	9.92
Gould Int. Fin. 9⅝ 85	50	99½	100	0	0	9.79
Hospital O/S 9 83	25	97¾	98⅜	+0⅛	+0⅛	9.59
Hudson Bay Co. 10 84	50	100⅜	100⅝	−0⅛	−0⅛	9.97
Ital Finance 9¾ 90	30	94⅜	94⅝	0	+0⅛	10.60
J. C. Penney 8⅞ 83	100	96	96⅜	0	0	9.55
Manitoba 9½ 89	75	97¼	97¾	0	0	9.90
New Brunswick 9¾ 94	75	97⅞	98⅜	−0⅛	−0⅛	9.99
Newfoundland 10 94	50	99¾	99⅞	−0⅛	0	10.04
Norsk Hydro 9⅜ 94	50	96⅜	96⅞	−0⅛	−0⅛	9.88
Norway 9⅜ 84	150	100	100⅜	0	−0⅛	9.91
Portland 10 84	50	97¾	98¼	+0⅛	+0⅛	10.63
Redland Fin. XW 9½ 91	25	93¾	93⅝	0	+0⅛	10.47
Sears Roebuck 8 82	150	98⅜	98⅝	0	−0⅛	9.61
Stockholm 9⅝ 84	50	99¾	100¼	−0⅛	0	9.98
UK 8⅞ 93	150	95⅛	95⅝	−0⅛	−0⅛	9.67
Hudson Bay 10½ 89 C$	60	99¾	100¼	0	0	10.50
Quebec 10¼ 86 C$	50	98⅛	99⅛	0	−0⅛	10.48
Komm. Inst. 7½ 93 EUA	15	97¼	98⅛	−0⅛	−0⅛	7.73
Panama 8¼ 93 EUA	20	96½	97¼	0	+2⅛	8.59
SOFTE 8¼ 89 EUA	40	97¼	98¼	−0⅛	−0⅛	8.59
Algemene Bk. 6½ 83 Fl	75	95⅛	[illegible]	−0⅛	−0½	7.54
CFE Mexico 7½ 83 Fl	75	97¼	98¼	−0⅛	−0⅛	8.38
EIB 7½ 85 Fl	75	94¼	94⅞	0	−0½	8.38
Ned. Middbk. 8½ 84 Fl	75	99⅛	100⅛	0	−0⅛	8.21
New Zealand 6¾ 84 Fl	75	93⅞	94⅜	0	−0⅛	8.14
Norway 8¼ 84 Fl	100	100⅛	101⅛	−0¼	−0⅛	8.05
Elf Aquitaine 9¾ 88 FFr	150	98⅛	98⅝	0	0	9.92
EIB 9¾ 88 FFr	200	99	99½	0	0	[illegible]
Norway 9¾ 84 FFr	200	99⅛	99⅞	0	0	9.37
PSA Peugeot 9¾ 87 FFr	175	98⅛	98⅝	0	0	9.65
Solvay et Cie 9¾ 87 FFr	125	99⅛	99⅝	0	0	9.68
Total Oil 9⅞ 87 FFr	100	97⅛	97⅝	0	−0½	9.84
Unilever 10 85 FFr	100	100⅛	101⅛	0	−0⅛	9.74
CECA 9¾ 89 £	20	90⅛	91⅛	0	−0⅛	11.16
Citicorp 10 93 £	20	90⅛	91⅛	−0⅛	−0⅛	11.35
FIE 9¾ 88 £	25	94	94⅞	−0⅛	−1⅛	10.76
Finance for Ind. 13 91 £	15	103⅛	104⅛	−0⅛	−0⅛	12.33
Gen. Elec. Co. 12¼ 89 £	50	101⅛	102⅛	0	−0⅛	12.13
RAT 8 88 LuxFr	250	97⅛	98⅛	0	−0⅛	8.35
Bayer Lux. 8 89 LuxFr	250	97⅛	98⅛	0	0	8.34
EIB 7⅞ 88 LuxFr	250	96⅛	97⅛	0	−0⅛	8.18
Euratom 8 87 LuxFr	500	99⅛	100⅛	0	−0⅛	7.96
Finland I. F. 8 89 LuxFr	250	97½	98⅛	0	0	9.33
Norway 7¾ 83 LuxFr	250	97⅛	98⅛	0	−0⅛	8.35
Norges Km. 8 88 LuxFr	500	98⅛	99⅛	+0⅛	+0⅛	8.12
Oslo, City of 8 89 LuxFr	500	98⅛	99⅛	−0⅛	+0⅛	8.11
Renault 7¾ 88 LuxFr	500	97⅛	98⅛	0	0	8.10
Solvay Fin 8 85 LuxFr	500	99⅛	100⅛	−0⅛	−0⅛	7.81
Swedish Bk. 8 88 LuxFr	500	99⅛	100⅛	0	−0⅛	7.98

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 5¾ 87	70	82½	83	0	−0⅛	6.73
Argentina 6½ 88	150	93	93½	−0⅛	−0⅛	7.51
Australia 6 88	250	94⅜	94⅝	−1⅛	−2⅛	6.83
Austria 6¾ 90	150	†98⅞	99⅜	−0⅞	−2⅛	7.11
Banco Desarrollo 7¾ 86	100	98	98½	0	−1⅛	7.87
Bankamerica 5¾ 90	150	†91¼	91¾	−0½	−1⅛	6.83
Bq. Ext. Algerie 7¾ 85	100	97¾	97¾	0	0	7.74
Brazil 7¼ 87	150	98⅜	99⅛	−0⅛	−1	7.44
CECA 6 88	150	93¼	93¾	0	−1⅛	6.95
Ch. Manhttn. O/S 6 93	100	93⅜	94⅛	−0⅛	−3½	6.67
Copenhagen City 6 90	75	90⅛	90⅝	−1⅛	−1⅞	7.25
Council of Europe 6¼	130	93⅜	94½	−0⅛	−1⅛	7.11
Denmark 5¾ 85	100	95⅛	95⅞	0	−1	6.68
Denmark 6½ 89	100	96	96½	+0⅛	−0⅛	7.04
EIB 6 90	300	90⅞	91⅛	−0⅛	−1½	7.17
EIB 6½ 91	200	†94	94½	−1	−2⅛	7.24
Eletrobras-Brazil 7 87	100	95¾	96⅛	0	−0⅛	7.72
Eurofima 6½ 89	100	99⅜	100⅛	−0⅛	−0½	6.51
Finland 6 83	150	98⅜	98⅞	−0⅛	−0⅞	6.34
Hitachi Ship. 5⅞ 83	50	96½	97	−0⅛	−0½	6.57
Indonesia 7 84	100	95⅞	96⅜	−0½	−0⅞	7.89
Kobe, City of 5¾ 88	100	94⅝	95⅜	−1⅛	−1⅛	6.67
Megal Fin. 7 88	150	†98½	99⅜	+0⅛	−0¼	7.12
Mitsubishi Petro. 5¾ 85	100	96¼	96¾	−0¼	−0⅛	6.43
New Zealand 6¼ 87	200	96⅛	96⅞	−1⅛	−2⅛	6.82
Nippon Kokan 7½ 84	100	98¼	98¾	−0⅛	−1	7.87
Nippon Steel 5½ 88	100	†93½	94½	−0⅛	−0⅛	6.99
Nippon Tel. & T. 5½ 87	100	†89¾	90½	−0⅛	−2½	7.20
Nordic Inv. Bk. 6¼ 86	60	97⅛	97⅞	−0½	−0¼	6.74
Norges Komm. 6 90	100	92⅞	93⅜	−0⅛	−0⅛	6.89
Norges Komm. 6¾ 89	150	95¼	95¾	−0	−1⅛	6.90
Norway 6¼ 84	200	100⅜	100¾	−0⅛	−0⅛	6.13
Occidental 6¾ 90	150	95¾	96¼	0	−0⅛	7.26
OKB 6½ 88	100	97⅛	97½	−0½	−1⅛	6.86
OKB 6 87	40	†96	96½	0	−0⅛	6.63
Petroleo Brazil 7 88	100	†95¾	96⅛	−0⅛	−1⅛	7.60
Ricoh 5⅜ 83	30	94⅛	95⅛	−0⅛	−1	6.65
Statoil 6 88	150	93¼	94¼	−0⅛	−1⅞	6.92
Statoil 6½ 89	150	96¾	97½	−0⅛	−1	6.93
UDS Group 5⅞ 83	65	†95¾	96⅛	−0⅛	−1	6.83
Union Bank-Finn 6½ 88	50	†93	93½	−0⅛	−0⅛	7.50
Venezuela 6½ 90	150	90	90½	0	−0⅞	7.81
World Bank 6¼ 88	400	†95	95½	−0⅛	−0⅞	6.94

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¾ 88	40	103½	104½	+0⅛	+1⅛	4.70
Amer. Exp. Int. 3½ 93	40	94⅛	94½	−0⅛	+1⅛	4.01
Asian Dev. Bank 3½ 94	100	88½	88¾	+0⅛	+1⅞	4.57
Austria 3½ 93	100	93	93¾	−0⅛	0	4.13
Australia 3¾ 89	250	96	96½	−0⅛	+0¼	4.11
Brazil 4½	100	99½	99¾	0	+1	4.30
Canada 3⅝ 89	300	96	96¼	−0⅛	+0⅛	4.11
Chase Manhattan 4 93	70	99¾	100	+0⅛	+1⅛	4.01
Council of Europe 4¼	100	98	98½	−0½	+0½	4.44
Bankamerica 3½ 93	80	95⅛	95¾	−1⅛	+0⅛	4.17
BNDE 5 88	75	100¼	100¾	+0¼	+2¼	4.93
Denmark 4½ 90	100	101½	102	−0½	+1⅛	4.30
EIB 4¾ 93	100	96¾	97	−0⅛	+1⅛	4.55
Euratom 4½ 93	80	95	95⅞	0	+1⅛	4.72
F. L. Smidth 4½ 89	25	98⅝	98⅞	+0½	+0½	4.65
Finland 4½ 93	80	99½	99¾	0	+1	4.53
GZB 4½ 93	100	100	100¼	0	+1¼	4.49
Heron 4½ 89	35	95	95½	0	+2	4.86
ICI Fin. NV 3½ 94	230	91½	91¾	0	+0⅞	4.27
Malaysia 4¾ 90	80	98⅜	98⅞	+0⅛	+1¼	4.95
New Zealand 3½ 94	120	92½	92¾	−0⅛	+0⅛	4.18
OKB 3¾ 91	100	95½	96	0	+1⅛	4.21
Pfand Ost Lande 4 90	60	96⅝	96⅞	+0⅛	+0⅛	4.38
Philippines 4¾ 89	50	97⅝	98	+0⅛	+1⅛	5.03
Sandvik 4 90	85	97½	98	−1	+4	4.25
Spain 4 91	100	96⅛	96½	+0¼	+0⅛	4.40
Vienna 4 93	100	94½	94¾	−0⅛	+0⅛	4.51
World Bank 4¾ 93	250	96½	96¾	0	+1½	4.57

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5¾ 88	15	85½	86¼	+0⅛	+0½	7.94
Australia 5.6 83	30	93⅜	94⅛	−0⅛	−0⅛	7.31
Australia 6½ 88	20	91½	92½	0	0	7.84
Finland 5.6 83	10	92½	93½	0	−0⅛	7.54
Finland 6.8 88	10	92¾	93¾	0	0	8.06

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 9 84 SDR	20	98¼	99¼	0	−0¼	9.32
Ex. Dev. Cpn. 10 84 C$	50	99½	100	0	0	10.06

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bank M8.5 83	0¼	96⅛	97½	31/7	11.44	11.78
BFG Fin. Co. M5.5 89	0¼	98⅛	99	12/7	12.4	12.55
Banco di Roma M6 87	0¼	98⅛	99⅛	26/10	11.19	11.34
Bco. El Salvador M8 83	1⅛	97⅛	97½	12/10	12⅛	12.58
Bco. Nac. Argnt. M8 83	0⅛	100⅛	100⅝	21/7	13⅛	12.19
Bco. Nac. Argnt. 7 86	0¼	97¼	98¼	22/8	11⅛	11.73
Banco Urquijo 6 88	0¼	97¼	98¼	21/9	11⅛	11.73
Bank of Tokyo M5½ 93	0¼	97⅛	98⅛	18/10	11⅛	11.57
Bq. E. d'Alg. M8 375 84	0¼	97	97½	9/8	11⅛	12.21
Bq. Ext. d'Alg. M7 5 85	0¼	95⅛	95⅞	2/5	12⅛	[illegible]
Bq. Indo et Suez M5½	0¼	[illegible]	99⅛	25/7	12	12.05
Bq. I. Al. Occ. M6.5 83	0¼	[illegible]	98⅛	12/7	12.4	12.59
BNP 5½ 91	0¼	[illegible]	98⅛	22/2	11⅛	11.62
CCCE M5 25 98	0¼	97⅛	98⅛	3/8	11⅛	11.62
Ch. Man. O/S M5¾ 93	0¼	[illegible]	99⅛	27/7	11.73	11.84
Citicorp O/S Fin. 6 94	0¼	99⅛	99⅝	8/6	11.06	11.12
Credit National M5½ 88	0¼	98⅛	98⅞	11/7	12.31	12.48
Gotabanken M6 88	0¼	98⅛	98⅞	15/5	12.31	12.48
Ind. Bk. Japan M5½ 85	0¼	99⅛	100⅛	1/8	12.35	12.33
LTCB Japan M5½ 85	0¼	99⅛	99⅝	9/5	12.06	12.12
Midland Intl. M5½ 93	0¼	99⅛	99⅝	20/7	12⅛	12.37
Nipp. Crdt. Bk. M5.5 85	0⅛	99⅛	100⅛	22/6	12.81	12.83
OKB M5¾ 88	0¼	99⅛	99⅞	18/10	11.44	11.49
Offshore Mining 86	0¼	99⅛	99⅝	19/7	12.19	12.25
Potro Mexicano 7¾ 84	0¼	99	99½	24/7	12.06	12.15
Privredna Banka M8 86	0¼	96⅛	97	22/6	13.44	13.91
Standard Chrt. M5 5 90	0¼	[illegible]	99⅛	10/8	11.56	11.81
Sundsvallsbnkn M6 85	0¼	97⅛	97⅞	4/10	11.06	11.33
Texas Int. Air. M7 86	0¼	97⅛	98⅛	11/10	11⅛	11.46
Utd. Overs's Bk. M6 89	0¼	97⅛	98⅛	29/9	11.14	11.38

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Baker Int. Fin. 5½ 93	1/79	34	118	119¼	+1½	−0.41
Boots 6½ 93	2/79	2.16	111½	112½	−1	−4.61
Ciba-Geigy O/S F. 4 94	9/79	675	93½	94½	+0½	−17.03
Coca-Cola Bottling 6½	4/79	9	90⅛	91⅛	+0⅛	28.77
Esselte 7¾ 89	9/79	159	97⅛	98⅛	+0⅛	5.14
Honda Motor 5½ 89	5/79	532	99½	100½	−1⅛	−1.80
Ito-Yokado 5½ 93	6/78	1339	107⅛	108⅛	−0⅛	1.91
Novo Industri 7 89	4/79	259	87⅛	89⅛	+0⅛	7.36
Texas Int. Air. 7½ 93	4/79	14.5	89	90⅛	−0½	19.45
Thorn Int. Fin. 7 88	11/78	3.67	137⅛	138⅛	+1⅛	−3.03
Asahi Optical 3½ DM	12/78	588	90⅛	91⅛	−0⅛	5.95
Casio Cp. 3½ 85 DM	11/78	841	91⅛	92⅛	−0⅛	15.39
Izumiya 3½ 86 DM	10/78	989	87⅛	88⅛	+0⅛	−1.44
Jusco 3½ 86 DM	1/79	1154	85⅛	86⅛	−0⅛	25.25
Kansai Elec. 4 84 DM	4/79	1350	89	90	−0⅛	33.63
Konishiroku 3½ 85 DM	1/79	612	91⅛	92⅛	+0½	17.13
Marudai Food 3½ DM	2/79	1033	84⅛	85⅛	−1⅛	25.23
Murata M. 3½ 86 DM	11/78	854	[illegible]	97⅛	+0½	3.37
Nipp. Air. 3.5 88 DM	12/78	508	84⅛	85½	0	10.35
Nippon Ysn. 3½ 85 DM	1/79	251	93	94	−0⅛	1.13
Nissan Diesl. 3½ 86 DM	2/79	477	92⅛	93⅛	−0⅛	6.68
Olymp. Opt. 3½ 85 DM	2/79	703	99⅛	100⅛	+0⅛	7.45
Ricoh 3½ 86 DM	10/78	617	90⅛	91⅛	−0⅛	11.09
Sharp Cpn. 3½ 88 DM	2/79	487	95⅛	96⅛	−0⅛	9.89
Stanley Elec. 3½ DM	11/78	623	89½	90½	−0⅛	25.63
Tokyo Elec. 3½ 87 DM	4/79	476	91⅛	92⅛	+0⅛	18.09
Tokyu Ld. Co. 4 86 DM	4/79	493	87⅛	88⅛	+0⅛	12.82
Trio-Knwd. 3½ 86 DM	11/78	711	86½	87½	+0⅛	13.53

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M = Minimum coupon. C dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

AMERICAN QUARTERLIES

ALLEGHENY LUDLUM INDUSTRIES First quarter	1979 $	1978 $
Revenue	380.9m	339.8m
Net profits	12.02m	6.56m
Net per share	1.06	0.25

AMERICAN NATURAL RESOURCES First quarter	1979 $	1978 $
Revenue	692.7m	610.7m
Net profits	58.10m	71.41m
Net per share	2.54	3.26

ANHEUSER-BUSCH First quarter	1979 $	1978 $
Revenue	739.1m	572.9m
Net profits	24.54m	20.43m
Net per share	0.54	0.45

ARVIN INDUSTRIES First quarter	1979 $	1978 $
Revenue	124.1m	107m
Net profits	8.54m	4.26m
Net per share	0.84	0.58

BACARDI First quarter	1979 $	1978 $
Revenue	73.1m	60.5m
Net profits	8.12m	6.56m
Net per share	4.07	3.33

BAKER INTERNATIONAL Second quarter	1979 $	1978 $
Revenue	282.3m	226.8m
Net profits	22.59m	18.35m
Net per share	0.75	nil
Six months		
Revenue	540.5m	416.3m
Net profits	43.47m	32.98m
Net per share	1.40	nil

BELL CANADA First quarter	1979 $	1978 $
Revenue	1.22bn	911m
Net profits	103.6m	88m
Net per share	0.65	0.46

CARPENTER TECHNOLOGY Third quarter	1979 $	1978 $
Revenue	131.1m	102.9m
Net profits	12.29m	8.87m
Net per share	1.43	1.04
Nine months		
Revenue	331.8m	275.0m
Net profits	27.31m	22.91m
Net per share	3.19	2.69

CURTISS-WRIGHT First quarter	1979 $	1978 $
Revenue	89.7m	70.5m
Net profits	4.29m	3.36m
Net per share	0.51	0.39

DIAMOND INTERNATIONAL First quarter	1979 $	1978 $
Revenue	272.7m	231.2m
Net profits	13.26m	8.06m
Net per share	1.06	0.69

DI GIORGIO First quarter	1979 $	1978 $
Revenue	248.7m	212.4m
Net profits	1.96m	1.73m
Net per share	0.32	0.28

DR. PEPPER First quarter	1979 $	1978 $
Revenue	62.7m	54.7m
Net profits	5.58m	4.84m
Net per share	0.28	0.24

FOREMOST-McKESSON Fourth quarter	1979 $	1978 $
Revenue	840.9m	756m
Net profits	12.33m	11.77m
Net per share	0.72	0.68
Year		
Revenue	3.31bn	2.95bn
Net profits	54.21m	44.22m
Net per share	3.09	2.58

FOXBORO First quarter	1979 $	1978 $
Revenue	106.1m	82.2m
Net profits	7.31m	4.77m
Net per share	0.88	0.58

HUGHES TOOL First quarter	1979 $	1978 $
Revenue	168.4m	140.2m
Net profits	14.36	11.92
Net per share	1.00	0.84

INTERLAKE First quarter	1979 $	1978 $
Revenue	264.4m	204.2m
Net profits	805,000	†1.09m
Net per share	0.14	†0.19

† Loss.

MACKE Second quarter	1979 $	1978 $
Revenue	65.3m	57.9m
Net profits	1.24m	1.13m
Net per share	0.41	0.37
Six months		
Revenue	128m	110.7m
Net profits	2.61m	2.24m
Net per share	0.86	0.74

MESA PETROLEUM First quarter	1979 $	1978 $
Revenue	55.5m	42.8m
Net profits	14.36m	12.45m
Net per share	0.90	0.77

MURPHY OIL First quarter	1979 $	1978 $
Revenue	363.8m	337.7m
Net profits	15.04m	10.11m
Net per share	1.21	0.81

NEWMONT MINING First quarter	1979 $	1978 $
Net profits	29.35m	*11.08m
Net per share	1.15	*0.46

*Loss

NORTHERN STATES POWER First quarter	1979 $	1978 $
Revenue	297.1m	269.2m
Net profits	39.8m	35.9m
Net per share	1.33	1.21

PHELPS DODGE First quarter	1979 $	1978 $
Revenue	314.4m	230.3m
Net profits	14.1m	7.4m
Net per share	0.81	0.29

PLACER DEVELOPMENT First quarter	1979 $	1978 $
Net profits	11.5m	5.0m
Net per share	0.95	0.42

PROCTER AND GAMBLE Third quarter	1979 $	1978 $
Revenue	2.46bn	2.17bn
Net profits	168.99m	147.11m
Net per share	2.04	1.78
Nine months		
Revenue	6.99bn	6.04bn
Net profits	462.99m	408.04m
Net per share	5.60	4.94

PUREX Third quarter	1979 $	1978 $
Revenue	164.3m	143.9m
Net profits	6.45m	5.52m
Net per share	0.57	0.49
Nine months		
Revenue	449.7m	391.2m
Net profits	16.91m	14.95m
Net per share	1.50	1.33

RICHARDSON-MERRELL Third quarter	1979 $	1978 $
Revenue	268m	244.2m
Net profits	15.8m	14.5m
Net per share	0.72	0.62
Nine months		
Revenue	848.2m	726.6m
Net profits	52.8m	54.5m
Net per share	2.33	2.31

SCHLUMBERGER First quarter	1979 $	1978 $
Revenue	752.0m	620.8m
Net profits	138.06m	97.25m
Net per share	1.01	0.76

SINGER First quarter	1979 $	1978 $
Revenue	641.7m	601.5m
Net profits	15.5m	20.6m
Net per share	0.83	1.12

SOUTHLAND CORPORATION First quarter	1979 $	1978 $
Revenue	812.1m	648.8m
Net profits	8.13m	7.06m
Net per share	0.39	0.35

SQUIBB First quarter	1979 $	1978 $
Revenue	378.3m	326.7m
Net profits	16.07m	18.22m
Net per share	0.36	0.43

STANDARD BRANDS First quarter	1979 $	1978 $
Revenue	572.6m	541.8m
Net profits	16.29m	15.20m
Net per share	0.57	0.54

SUN COMPANY First quarter	1979 $	1978 $
Revenue	2.4bn	1.7bn
Net profits	120.3m	84.3m
Net per share	2.09	1.45

STANDARD OIL OHIO First quarter	1979 $	1978 $
Revenue	1.65bn	1.03bn
Net profits	167.5m	41.6m
Net per share	1.39	0.43

TESORO PETROLEUM Second quarter	1979 $	1978 $
Revenue	502.8m	296.6m
Net profits	9.10m	7.97m
Net per share	0.44	0.38
Six months		
Revenue	825.9m	605.9m
Net profits	19.76m	18.74m
Net per share	0.95	0.90

TEXAS EASTERN First quarter	1979 $	1978 $
Revenue	684.9m	499.6m
Net profits	51.59m	45.09m
Net per share	2.05	1.81

TEXAS UTILITIES First quarter	1979 $	1978 $
Revenue	383m	338.2m
Net profits	37.41m	32.57m
Net per share	0.44	0.43

TONKA First quarter	1979 $	1978 $
Revenue	20.1m	14.1m
Net profits	*651,000	*1.64m
Net per share	*0.42	*1.05

*Loss

VARIAN ASSOCIATES Second quarter	1979 $	1978 $
Revenue	118.6m	93m
Net profits	3.76m	2.02m
Net per share	0.51	0.27
Six months		
Revenue	219.9m	180.1m
Net profits	7.04m	5.26m
Net per share	0.95	0.70

WASHINGTON POST First quarter	1979 $	1978 $
Revenue	130.3m	112.8m
Net profits	8.6m	7.1m
Net per share	0.54	0.43

WISCONSIN ELECTRIC POWER First quarter	1979 $	1978 $
Revenue	236.8m	204.8m
Net profits	14.96m	15.10m
Net per share	0.81	0.87

Bekaert turns in doubled profit

By Our Financial Staff

ALMOST DOUBLED profits and a sharp increase in dividend are announced by Bekaert, the Belgian company which is the largest producer in Europe of industrial wire.

At the net level, profits last year rose to BFr 1.09bn ($36m) from the BFr 575m achieved in 1977. The result is in line with the half-year forecast of a sharp increase in overall earnings, and as a result the dividend is going up to BFr 130 a share from BFr 116.

Group sales last year rose by just over 5 per cent to BFr 23.7bn with the parent company contributing some two-thirds of the group total. Parent company net profits were BFr 148m higher at BFr 552m.

The company's interim report last September suggested that the improving performance was largely the result of cutting out heavy losses among certain subsidiaries following "action" to up-date the products of Bekaert's non-Belgian operations within Europe.

Depreciation charges last year totalled BFr 733m plus BFr 329m allowed under legislation to stimulate private investments. Bekaert reports that its group profits do not include the BFr 329m depreciation. Moreover, the consolidated figures were favourably influenced by a remarkable improvement in parent company performance and by larger profits from other subsidiaries.

● Belgian department store group GB-Inno-BM is seeking to gain a 10 per cent interest in the Florida do-it-yourself chain, Scotty's. Under an agreement with Scotty's the company would subscribe to a $10m convertible loan "that would eventually allow us to acquire a 10 per cent interest in Scotty's."

German strike keeps Estel in red

BY OUR FINANCIAL STAFF

HELD BACK by the impact of the West German steel strike, Estel, the Dutch-German steel group, failed to return to profits last year, emerging with a net loss of Fl 288.3m ($140m) compared to a deficit of Fl 416.9m in 1977.

The group results "deteriorated considerably" in the final quarter of 1978, mainly because of the adverse effects of the steel strike in Germany which broke out towards the end of November and left Estel limping badly for the final weeks of the year.

With the steel strie continuing into the middle of January and the effect of bad winter weather, Estel expects to report a further deficit for the first quarter of 1979. For the full year, however, it hopes for a considerable improvement.

Without the German labour dispute, Estel feels it would have achieved an operating profit for 1978. In the event, the trading result for the final three months showed a loss of Fl 45.9m, having been in the black to the tune of Fl 94.2m in the third quarter of 1978. Once again, the company is not paying a dividend.

At the nine-month stage in 1978, Estel said it regarded the future with "rserved optimism." Internal cost cutting and the efforts of the EEC at large to resolve its steel industry difficulties had culminated in an improved trading background. "The worst is now over for our steel divisions," the company declared. Against this background, the Dutch side of Estel closed 1978 with a profit, its first in three years.

At the pre-tax level, the group loss last year was Fl 330.5m, down from Fl 533.1m in 1977 and before a tax payment of Fl 42.2m against a tax credit of Fl 116.2m. In the final quarter, net losses were Fl 116.1m compared to profits of Fl 3.9m in the third quarter.

Fourth quarter pig iron production was 1.92m tonnes against 2.19m in the third quarter and 1.72m in the final three months of 1977. Crude steel production was 2.33m tonnes (2.84m and 2.32m) and rolled steel production emerged at 1.95m (2.31m and 1.98m).

Results from the steel-processing activities also worsened in the fourth quarter as a result of the German strike and showed a loss for the full year in contrast to 1977. The trading and diversification activities again made a loss in the final quarter and showed a loss for 1978 as a whole.

● Trading company Internatio-Mueller expects group net profits to fall this year below the levels of 1978 when Fl 30.7m was achieved, against Fl 31.5m in 1977.

However, the present situation in the various markets operated by the company, combined with a "solid financial position" suggest expectations for an early improvement in earnings.

GHH experiences orders upturn

BY GUY HAWTIN IN FRANKFURT

AFTER a slow first five months, GHH, the largest mechanical engineering company in Europe, has begun to experience a sharp upturn in new orders.

As a result, earnings for this year are expected to show an improvement on 1977-78 when GHH returned . . . . at the net level. In any event, a maintained dividend is already assured, the company declared yesterday.

Orders during the first nine months of this year have risen by 13.1 per cent. Growth was relatively even at home and abroad. Domestic orders were up 13.5 per cent, while overseas bookings moved ahead by 12.7 per cent.

Including the large orders, which come in somewhat irregularly, GHH booked orders worth DM 10.2bn during the period under review. By the end of March its order book reached a record DM 15.5bn ($8bn)—a level which will secure employment at current levels for more than a year.

The inflow of orders to the group is therefore considerably stronger than the average bookings growth recorded by the West German capital goods industry. From July, 1978 to the end of February this year, the industry as a whole reported a nominal 6.1 per cent upturn in orders—6.3 per cent from the home market and 5.9 per cent from abroad.

The group's turnover during the first three quarters showed a more modest growth rate. Even so, it went up by DM 500m—more than 6 per cent—which puts the first nine months' sales figures at around the DM 8.5bn level.

Again growth was relatively evenly split between domestic and foreign sales. Home sales rose by 6.4 per cent and sales abroad went up by 5.6 per cent. The sector showing the fastest growth rate was the cable metal manufacturing division.

By the end of March this year, the group's labour force had risen by 0.8 per cent compared with the figure at the end of June, 1978 to 84,245. Short-time working has been further reduced, said the concern.

Sacilor cuts losses by 50%

By David White in Paris

THE DRASTIC financial shake-up carried out by the French government in the steel industry last year succeeded in bringing the losses of Sacilor the second biggest group, down by half to FFr 1.01bn ($232m).

In 1977, Sacilor, then controlled by the Wendel-Sidelor steel holding group, provided strong evidence of the dimensions of the Lorraine steel crisis by more than trebling its losses to FFr 2.28bn.

The biggest factor in last year's improvement was relief on financial costs, which came down to FFr 615m from FFr 1.13bn in the wake of the reorganisation plan, under which the main creditors wrote off the debts of the big steel groups in exchange for equity holdings, thus giving the state effective control.

The company said last year's performance was also helped by a certain improvement in selling prices, although these were still inadequate, and by a slower rise in costs.

Sacilor's operating results before financial charges showed a reduced loss of FFr 152m last year compared with FFr 442m in 1977. The results take into account the company's controlling stake in the Sollac group of steel-rolling mills and its half share of Solmer, the recently-installed giant steel complex at Fos-sur-Mer, near Marseilles.

● Hachette, the French press and publishing group, increased its parent company net profit almost sixfold last year, largely as a result of capital gains in a reorganisation of the group's activities.

The company proposed to raise its dividend by a third, as it did for the previous year. The net dividend is set at FFr 8 compared with FFr 6 paid a year ago.

Net earnings were FFr 120.4m ($27.7m) compared with FFr 20.9m in 1977. In 1974 and 1975 Hachette made losses totalling over FFr 80m.

Swiss engineer sees little growth

BY JOHN WICKS IN ZURICH

UNLESS THERE is a noticeable change in demand, prices or foreign-exchange parities, the Swiss engineering group Sulzer Brothers expects 1979 profits to be about the same or slightly lower than for last year.

Herr Artur Frauenfelder, managing director, said at a Press conference in Winterthur, that no upswing seemed likely in the near future.

In 1978, group profits dropped by as much as 46 per cent to SwFr 45m ($26.31m), the lowest level since before 1969. Group turnover had fallen by only 1 per cent to SwFr 3.48bn ($2bn) for the year, but the value of new orders sank by 11 per cent to SwFr 3.02bn.

Sales targets were reached for only a few product lines, Sulzer having been affected by a world-wide recession and by the unfavourable currency situation. After allowing for foreign inflation, alterations in exchange rates led to a loss of potential SwFr 80m-SwFr 100m in new order volume.

This year has started on a more positive note, however, with orders for the first four months being higher than for January-April, 1978, particularly in the field of textile machinery and water turbines. In certain sectors prices have also improved.

The parent company has already announced a proposed distribution of unchanged 14 per cent dividends despite a drop in net profits from SwFr 41m to SwFr 34m, the lowest since 1971.

Among major subsidiaries, the Zurich-based Escher Wyss group showed a higher turnover of SwFr 253.25m (SwFr 166.06m), but this was due to the completion of a number of large hydro-electric units and net profits of only SwFr 211,349 (SwFr 280,370) is insufficient to pay a dividend.

The Winterthur-based Swiss locomotive and machine works is to pay an unchanged SwFr 8 per share on reduced profits of SwFr 2.13m (SwFr 2.36m) after a fall in turnover to SwFr 81.69m (SwFr 85.78m).

For the Sulzer group as a whole, some SWFr 727m (SwFr 728m in 1977) of the SwFr 3.02bn total was accounted for by products of the Winterthur engineering works, SwFr 573m (SwFr 634m) by heating and air-conditioning products, SwFr 562m (SwFr 656m) by Escher Wyss product lines, SwFr 502m (SwFr 576m) by textile machinery and SwFr 663m (SwFr 802m) for other products.

In a geographical breakdown, the group experienced a particularly marked setback in industrialised countries. European sales dropped from SwFr 2.38bn to SwFr 1.95bn over the year and those on North American markets from SwFr 311m to only SwFr 140m.

A considerable increase, from SwFr 169m to SwFr 308m was booked, however, for Asia and Australia: from SwFr 288m to SwFr 306m for Latin America and from SwFr 290m to SwFr 324m for Africa.

Dutch foods group share placing

By Our Financial Staff

WESSANEN, the Dutch foods group which is expanding its operations in the U.S., has raised around Fls 13m ($6m) through a private placement in shares.

The company has placed more than a tenth of its capital—192,500 shares—with institutional investors at a price close to the current Bourse level of Fls 67. Wessanen said the funding operation, its second private placement in equity in two years, represented a "welcome strengthening" of the group capital base.

Last September, Wessanen paid $20m for the U.S. foods group, Marigold, and earlier this month announced plans for a further expansion in the U.S. via additional acquisitions in the foods market.

At the time, the board declared itself suitably confident about business prospects in 1979 having lifted net profits for 1978 by a tenth to Fls 18.3m on sales ahead by a similar sort of percentage at Fls 2.46bn.

Italian bank lifts profits

By Paul Betts in Rome

CREDITO ITALIANO, one of Italy's largest commercial banks controlled by the IRI state holding company, reports increases in net earnings and deposits last year.

This confirms that despite the country's overall difficulties, the banking sector remains one of the most profitable ends of the economy. Credito Italiano's net profits last year totalled L14bn or L5.6bn more than in 1977.

Deposits increased by 10.3 per cent to L15,797bn, including L10,546bn in Italian currency and L5,250bn of foreign currency deposits. The banks own resources rose to L484bn, while credits extended totalled L10,767bn or 12.2 per cent up over 1977.

Banque Worms

By Our Financial Staff

AN INCREASE of almost 18 per cent in the balance sheet total is reported by Banque Worms, one of the leading private banks in France. At the end of 1978, assets totalled FFr 15.9bn

The bank's profits last year improved to FFr 36.1m ($8.29m) after tax, compared to FFr 31.1m in 1977. Lower down the profit and loss account, however, the profit trend is depressed by exceptional charges of FFr 3.1m and profits on asset sales which for 1978 were FFr 37m lower at FFr 3m.

Astra forecasts earnings improvement this year

BY VICTOR KAYFETZ IN STOCKHOLM

ASTRA, the Swedish pharmaceuticals group, expects pre-tax earnings on units remaining after the disposal of three small non-pharmaceutical subsidiaries to amount to SKr 145-155m ($33-35m) this year on sales of SKr 1.95-2bn.

Pre-tax profit in 1978 was SKr 137m, up by 18 per cent on the preceding year. Turnover rose 16 per cent to SKr 2.03bn. The latter figures includes, until their respective transfer dates late last year, three companies whose total sales last year were just over SKr 300m.

They were the rust prevention subsidiary Astra-Dinol, sold to Sweden's Nynaes Petroleum, the consumer hygienic products company Astra-Wallco, sold to International Playtex of the U.S., and the skiing products subsidiary Swix Sport International, sold to J. L. Tiedemann Tobaksfabrik of Norway.

Following these transfers, pharmaceuticals now account for 90 per cent of group sales, with the remainder comprising animal and plant nutrition substances and hospital supplies.

Last year, Astra achieved 64 per cent of its sales and 84 per cent of its growth outside Sweden. The managing director, Mr. Ulf Widengren, predicted in the annual report that 95 per cent of sales increases would be on foreign markets this year. In 1978, cardiovascular preparations showed sales of more than SKr 400m and became the best-selling product group.

For more than two decades, local anaesthetics, dominated by Xylocaine, had been Astra's mainstay.

A major breakthrough last year for potential sales expansion in many countries was the approval by the U.S. Food and Drug Administration of the drug Seloken, a so-called selective Beta-blocker designed for lowering high blood pressure. Other products experiencing rapid sales growth in many countries are the new anti-asthma agent Bricanyl and the semisynthetic penicillin Penglobe.

Mr. Widengren said that a high priority was the expansion of production and marketing outside western Europe, where Astra sells more than three-quarters of its drugs. The group will aim particularly at the U.S. market.

As reported earlier, Astra is raising its share capital from SKr 162.5m to SKr 270.8m through a one-for-three rights issue at nominal SKr 100 and a one-for-three scrip issue. The Board also proposes raising the dividend by SKr 1 to SKr 6 a share.

Tandberg to remain in local hands

NORWAY'S Government yesterday accepted an offer by two Norwegian companies to acquire and operate Tandberg Industrier, the interim company which has continued making some of the most profitable Tandberg products since the old Tandberg went bankrupt last year.

Tandberg of America and a Finnish electronics group were also in the running to acquire a majority interest in the company, and the U.S. bid was supported by Tandberg Industrier's management because it envisaged continuing production of the current product range—educational aids and advanced audio products.

The Norwegian companies, on the other hand, have plans for a slightly different product mix. One of them, Norsk Data, will continue making the educational aids, while the other, Aktuell Elektriske, will make not only the present range of stereo equipment but possibly colour TV as well.

The Norsk Date-Aktuell proposals were regarded as unrealistic by Tandberg Industrier's management but have been favoured by the Government because control of the company will remain in Norwegian hands.

Statfjord contracts boost Kvaerner orders

BY FAY GJESTER IN OSLO

CONTRACTS worth NKr 2.2bn for the development of the Anglo-Norwegian Statfjord oil field, were mainly responsible for a jump in the volume of new orders booked by Norway's Kvaerner group last year. Their value reached NKr 3.7bn, compared with NKr 1.9bn in 1977.

The group, whose interests cover shipbuilding and offshore fabricating, heavy engineering and shipowning, achieved external sales of NKr 2.3bn in 1978, against NKr 2.16bn in 1977. Group operating results, before year-end allocations, were NKr 81m ($15.7m), compared with NKr 162m a year earlier. An unchanged dividend of NKr 12 per share is recommended.

Group investments last year were relatively low, at NKr 67m. This year they will be larger, reflecting the construction of facilities at Stavanger needed for the building of the platform deck for Statfjord B, the field's second platform. Kvaerner has been awarded the main contract for the deck's fabrication and assembly, as well as the contract for fitting out the platform's concrete shafts.

Commenting on the year's results, managing director Mr. Karl Rotjer, said that Kvaerner had not "brought" the Statfjord B contracts by accepting loss-making prices. But Mr. M. H. Gronner, managing director of the group's shipbuilding company, conceded that "very cautious" budget forecasts envisaged a profit of "plus or minus zero" on the contracts.

Mr. Rotjer said the fall in profits from 1977 was expected, and that the 1978 result was a good one, under the circumstances. The report described liquidity as good, and a satisfactory result is foreseen for the current year.

Kvaerner's shipbuilding unit, Moss Rosenberg Verft, is now part owner of 14 gas tankers, either built or on order, with a controlling interest in seven of them. Its newest venture in this field concerns a 2,600 cubic metre LPG-ammonia tanker ordered from the yard by a Stavanger company for delivery autumn 1980. Kvaerner has invested over NKr 340m in its shipowning interests, which will represent an important sector of the group's activities in the coming years, according to Mr. Gronner. The rise in oil prices would lead to an increase in demand for gas transport, including chemical gases.

Setback at Alliance as costs rise

By L. Daniel in Tel Aviv

ALLIANCE — ISRAEL'S only tyre producer and exporter, has announced that its gross profit declined sharply in 1978, by 60 per cent to I£14m ($86.7m), before tax.

The decline is attributed to the rising cost of raw materials, labour and other inputs which have failed to keep pace with prices on the local market, adjusted only at three to four months intervals, and to devaluation of the Israeli pound lagging behind the rate of inflation.

The company also faced heavy outlays on severance pay, having substantially reduced its workforce. However, the net profit increased two-and-a-half times to I£74m, helped by the return of taxes and income resulting from an amendment to the law for the encouragement of capital investment.

The company is to distribute bonus shares at the rate of 10 per cent, compared with the 4 per cent stock bonus in 1977. There was no cash dividend in either year.

All-round advance for Indian bank

By P. C. Mahanti in Calcutta

UNITED BANK OF INDIA, the Indian nationalised commercial bank, has reported a higher rate of deposit growth, larger advances and investments, and an increase in net profit for 1978, compared with 1977.

According to Mr. S. Niyogi, the chairman and managing director, the bank's deposits increased by 20.9 per cent to Rs 9.6bn (about $1.18bn) whereas the banking industry as a whole recorded slightly lower deposit growth rate of 18.6 per cent.

That the rate of deposit growth increased—and did not fall as was expected with the lowering of interest on deposits—reflects the bank's deposit raising steps.

The bank's advances also grew substantially—from Rs 5.19bn to Rs 5.74bn—of which as much as 32 per cent was on account of loans to priority sectors of the economy, such as agriculture, small industry and business, retail trade, self-employed persons and exports. The proportion of priority sector loans to total advances during the previous year was 29.2 per cent.

This was in keeping with the Government directive to commercial banks to increase their loans to priority sector borrowers.

A noteworthy feature of the bank's lending to the priority sectors was a substantial stepping up of assistance for minor irrigation. This was channelled through official agencies in the eastern states of West Bengal, Orissa and Bihar.

JAPANESE SUPERMARKETS

Higher profits despite sluggish sales

BY YOKO SHIBATA IN TOKYO

JAPAN'S SEVEN major supermarket chain operators—Daiei, Ito-Yokado, Seiyu Stores, Jusco, Nichii, Uny and Nagasakiya showed profit gains for the fiscal year to February, despite unfavourable business conditions.

Because of the slow recovery in personal consumer spending and the warm winter, most of the stores found sales sluggish, as illustrated by the figures from Daiei and Seiyu stores, which fell into a single-figure rate of growth. The stores opened by the fiscal year 1977-78 tended towards the maintaining of single-figure sales growth rate.

Among companies with a double figure rate of sales growth, much of the increased demand appears to have arisen through additional sales area, notably at Ito-Yokado, which opened nine new shops during the year.

Despite the relatively slow growth in sales, all seven recorded high profits growth—at 20 to 40 per cent—backed by a lowering of the interest burden, and sales of relatively profitable merchandise such as home electric appliances.

Each company took steps to raise funds at lower interest cost through overseas convertible issues, or through share issues on the domestic market. Jusco reduced its borrowing by Y24.7bn ($113.2m) and Uny by Y11.7bn.

For the current fiscal year, ending February 1980, all seven stores expect sound gains in profits and sales. The stores aim to overcome the impact of the interest payment burden caused by the recent official discount rate increase of 0.75 per cent, to 4.25 per cent, by the reduction of borrowings and by shifting fund raising to the capital market. For example, the discount rate move indicates an extra Y1bn interest payment burden for Daiei—which is planned to be absorbed by the reduction of its borrowing by Y30bn, or about 10 per cent of its outstanding borrowings. Jusco said that the discount increase would not have tangible effects on the company, since it had reduced its borrowings in the previous business year.

Daiei expects operating profits of Y16.5bn, up 9 per cent, and net profits of Y8.3bn, up 18 per cent, on sales of Y1,020bn, up 8.5bn. Ito-Yokado expects operating profits to be Y19.5bn (up 20 per cent), net profits Y9.5bn (up 20 per cent), and sales Y573bn (up 17 per cent). Seiyu Stores looks for operating profits of Y8bn (up 19 per cent), net profits of Y4.2bn (up 23 per cent), and sales of Y337bn (up 11.4 per cent).

At Jusco, operating profits are expected to be Y12.5bn (up 16 per cent), net profits Y7.2bn (up 16 per cent), and sales Y510bn (up 14.6 per cent), while Nichii forecasts operating profits of Y12.5bn (up 22.5 per cent), net profits at Y7bn (up 23 per cent), and sales of Y420bn (up 20 per cent). At Uny, a gain in operating profits of 11.7 per cent, to Y9.5bn is foreseen, together with a rise in net profits to Y4.5bn (up 21.6 per cent), on sales of Y287bn (up 10 per cent). Nagasakiya see operating profits of Y8bn (up 11 per cent), net profits of Y3.7bn (up 12 per cent), and sales of Y240bn (up 6 per cent).

RESULTS FOR YEAR TO FEBRUARY 1979

	Sales Ybn	Sales change %	Operating profit Ybn	Operating profit change %	Net profit Ybn	Net profit change %
Daiei	940.47	+ 7.3	15.14	+31.3	7.03	+17.4
Ito-Yokado	485.46	+25.2	16.25	+28.3	7.91	+23.3
Jusco	444.83	+17.4	10.80	+36.8	6.25	+31.0
Nagasakiya	225.85	+ 6.5	7.19	+40.2	3.29	+37.1
Nichii	349.64	+11.5	10.24	+36.8	5.73	+40.9
Seiyu Stores	481.81	+ 8.5	6.72	+22.6	3.42	+22.4
Uny	260.33	+11.3	8.26	+43.3	3.72	+36.3

Yen revaluation upsets Makita

BY ARTHUR DAWSON

JAPAN'S LARGEST power tool manufacturer, Makita Electric Works, reports that net sales advanced by 10.9 per cent to Y49.63bn ($248m) for the year ended February 20 compared with the preceding year but net income decreased 18.7 per cent to Y3.406bn ($17m), largely as the result of the revaluation of the Yen. The net effect of revaluation was a reduction in pre-tax income of some Y2.576bn.

To a lesser extent, a decline in net interest income Y522m also contributed to the lower income total.

Earnings per common share or Continental depositary receipt were Y68.1 against Y83.9. Earnings per American depositary share (1 Adr equals 5 common shares) were $1.70 against $2.096.

Domestic sales rose 7.8 per cent to Y28.35bn and most of the increase was reflected in the second half of the year.

Sales in Europe rose by 26.4 per cent and by 43 per cent to North and South America. However, sales to Asia, Australia, New Zealand and Africa recorded moderate declines.

Both domestic and overseas sales have begun to expand again this year and as a result part of the manufacturing facilities are operating on an overtime basis.

Kansai Paint forecasts record year

OSAKA — After suffering a huge loss in fiscal 1975 in the wake of the oil crisis, Kansai Paint, Japan's top paint maker, hopes that its current account profit in the year ended March, 1979 will hit a record high, Mr. Yutaka Wakigawa, the executive director, said here.

In fiscal 1975, Kansai Paint ran a current account loss of Y2.42bn ($11.3m), when production was cut with the slump in Japan's economy and as costs rose. The company drew upon reserves to report a net profit of Y313m that year, a sharp decline from the Y938m for the previous year.

Fiscal 1975 was a special year for us," Mr. Wakigawa, who is in charge of finance, said. "We made a decision to reduce production drastically to cope with a sharp increase in inventories. At that time, other paint manufacturers did not follow us. On the contrary, they increased production, predicting that paint product prices would go up because of shrinking supply due to our production cutback."

That year, Kansai Paint's output declined to about 153,000 metric tons from about 160,000 tonnes the previous year.

In fiscal 1976, the company turned around and posted a Y1.22bn current account profit on sales of Y75.10bn. The following year, operating results improved to Y1.719bn on sales of Y85.273bn, and for fiscal 1978, ended this March, the company expects current account profits to hit a record L2.8bn on sales of around Y88bn. The net profit for the latest year is expected to register around Y1.2bn, up from Y858m

Kansai Paint's profit margin is now the highest among Japanese paint makers, apparently as a result of its prompt reaction to the 1975 industry crisis.

AP-DJ

Philipp and Lion in Singapore

BY GEORGIE LEE IN SINGAPORE

PHILIPP AND LION, the London Metal Exchange ring-dealing member, has set up a subsidiary, Phil-Lion Sea, in Singapore to act as a regional representative office. Phil-Lion Sea, which has a paid-up capital of S$100,000 will service ASEAN industrial clients who deal mainly in physical commodities.

Besides dealing in copper, zinc, lead, tin, silver, aluminium and nickel, in which the parent company is active, the Singapore office will also trade in gold, cocoa, coffee, and sugar.

Finance house for China trade

HONG KONG—The Bank of China and its associate banks in Hong Kong have set up a finance company mainly to finance projects relating to China's modernisation programme.

The company, China Development Finance Company (Hong Kong), capitalised at HK$50m is owned as to 25 per cent by the Bank of China, while the rest is owned by the bank's 12 associate banks and three China-backed insurance companies, the newly formed company said.

Reuter

Chugai Pharmaceutical

TOKYO — Chugai Pharmaceutical Company, a major Japanese drug maker, has announced consolidated net profit for the year ended December 31 of Y3.04bn ($13.9m). Sales on the same basis came to Y57.92bn.

The company announced a consolidated - based financial report for the first time.

AP-DJ

Dollar steady

THE DOLLAR showed little change in the foreign exchange market yesterday. Its trade-weighted index, as calculated by the Bank of England, rose to 86.0 from 85.9. In terms of the D-mark, the U.S. currency fell to DM 1.8915 from DM 1.8930, and the SwFr 1.7100 from SwFr 1.7140 against the Swiss franc. The dollar eased slightly to Y218.00 to Y218.20 in terms of the Japanese yen, and to terms of the Japanese yen, and to Fl 2.0515 from Fl 2.0535 against the Dutch guilder.

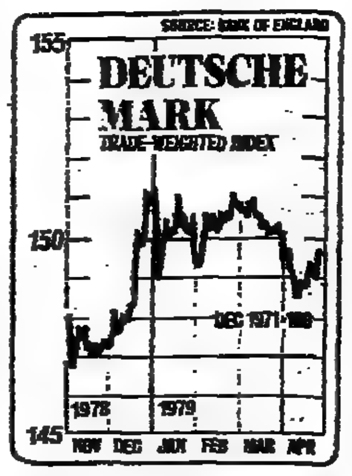
The U.S. consumer prices index, published yesterday, was in line with market expectations, but trading was rather nervous ahead of the figures, and the U.S. trade figures to be published today.

Sterling's trade-weighted index, on Bank of England figures, was unchanged at 66.1, after standing at 66.1 at noon and 66.0 in the morning.

The pound opened at $2.0340-$2.0350, the lowest level of the day at $2.0330-2.0340 by 9 am. Within an hour of the start sterling touched its best level of the day at $2.0500-2.0510, but eased to around $2.0450 by mid-day. Selling from New York pushed the pound down to $2.0400-2.0410 *in the afternoon*, and it closed at $2.0425-2.0435, a rise of 15 points on the day.

The Irish punt finished at $2.0135 against the dollar; at BFr 60.64 against the belgian franc; FFr 7607 in terms of the French franc; DM3.8105 against the D-mark; Fl4.1307 against the Dutch guilder; L1701.21 in terms of the Italian lira; and DKr 10.6534 against the Danish krone.

FRANKFURT—The Bundesbank did not intervene when the dollar was fixed at DM1.8925 against the D-mark yesterday, compared with DM1.8939 previously. The dollar was quiet



ahead of the U.S. consumer price index, but the rise of 1 per cent in the March figure came as little surprise to the market. Towards the close the U.S. currency eased slightly to DM1.8918, after ranging between DM1.8880 and DM1.8935 in the morning.

MILAN—The dollar improved against the lira at the fixing, rising to L845.55 from L844.95, and from an early rate of L843.50. The Bank of Italy was a net buyer of dollars in official trading. Sterling fell sharply to L1,730.50 from L1,748.15, while the Deutsche Mark rose slightly to L446.61 from L446.17. Other EMS currencies were steady in fairly active trading.

TOKYO — The dollar fell to Y217.77½ from Y218.37½ at the close yesterday. The U.S. currency opened at Y218.10, and drifted down to Y217.75 before lunch. The lowest point touched was Y217.50, but the dollar picked up towards the end of the day on strong commercial demand. The market remained nervous ahead of the U.S. consumer price index, and trade figures for March.

THE POUND SPOT AND FORWARD

April 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0340-2.0510	2.0425-2.0435	0.38-0.28c pm	1.94	0.90-0.80 pm	1.60
Canada	2.3275-2.3430	2.3395-2.3405	0.33-0.23c pm	1.44	0.75-0.65 pm	1.20
Nethlnd.	4.16½-4.21½	4.19-4.20	2⅜-1⅝c pm	5.36	5⅜-4⅝ pm	4.53
Belgium	61.05-61.75	61.50-61.60	30-20c pm	4.87	70-60 pm	4.22
Denmark	10.75-10.83	10.80½-10.81½	3½-1½ ore pm	2.77	5½-3½ pm	1.66
Ireland	1.0120-1.0175	1.0125-1.0135	17-27p dis	−2.61	80-70 dis	−2.57
W. Ger.	3.84½-3.88½	3.86¼-3.87¼	2⅞-1⅞pf pm	7.37	7-6 pm	6.72
Portugal	99.50-100.10	99.70-100.00	50-110c dis	−9.61	140-240 dis	−7.61
Spain	138.00-138.75	138.20-138.30	30-90c dis	−5.21	90-170 dis	−7.52
Italy	1,714-1,730	1,726½-1,727½	2 lire pm-par	0.07	2½-½ pm	[illegible]
Norway	10.51-10.58	10.53½-10.54½	4-2 ore pm	3.41	8½-6½ pm	2.83
France	8.85-8.92	8.88-8.89	3-2c pm	3.38	8½-7½ pm	3.60
Sweden	8.96-9.02	8.97½-8.98½	2½-¾ ore pm	2.34	6¾-4½ pm	2.56
Japan	433-453	445-446	3.25-2.85y pm	8.21	8.10-7.70 pm	6.94
Austria	28.25-28.45	28.37-28.42	20-10 gro pm	6.34	50-40 pm	6.34
Switz.	3.48-3.52	3.49-3.50	3¼-2¾c pm	11.16	9⅞-8⅞ pm	10.73

Belgium rate is for convertible francs. Financial franc 62.50-62.60. Six-month forward dollar 1.58-1.48c pm; 12-month 2.53-2.43c pm.

THE DOLLAR SPOT AND FORWARD

April 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0340-2.0510	2.0425-2.0435	0.38-0.28c pm	1.94	0.90-0.80 pm	1.66
Ireland†	2.0160-2.0200	2.0170-2.0190	0.80-0.65c pm	4.31	2.05-1.90 pm	3.91
Canada†	87.40-87.50	87.47-87.50	0.07-0.06c pm	0.82	0.12-0.08 pm	0.48
Nethlnd.	2.0500-2.0540	2.0510-2.0530	0.72-0.62c pm	3.92	1.70-1.60 pm	3.22
Belgium	30.05-30.15	30.11-30.13	8-7c pm	2.99	21-19 pm	2.66
Denmark	5.2775-5.2950	5.2900-5.2925	0.50 ore dis-par	−0.57	0.3 dis-0.2 pm	0.04
W. Ger.	1.8900-1.8940	1.8910-1.8920	0.87-0.77pf pm	5.20	2.49-2.39 pm	5.16
Portugal	48.85-49.10	48.95-49.05	33-48c dis	−9.79	90-140 dis	−9.39
Spain	67.65-67.90	67.75-67.80	27-37c dis	−5.66	70-80 dis	−4.43
Italy	844.00-845.50	845.15-845.25	0.55-0.95 lire dis	−0.10	2.50-3.00dis	−0.13
Norway	5.1550-5.1620	5.1600-5.1610	0.80-0.30 ore pm	1.28	1.90-1.40 pm	1.28
France	4.3490-4.3540	4.3495-4.3510	0.80-0.70c pm	2.07	2.40-2.20 pm	2.11
Sweden	4.3930-4.3970	4.3960-4.3980	0.45-0.25 ore pm	0.95	1.40-1.30 pm	1.18
Japan	217.80-218.30	217.90-218.10	1.15-1.05y pm	6.05	3.00-2.90 pm	5.41
Austria	13.89-13.92	13.89-13.89½	6.40-5.90 gro pm	5.31	18-16.50 pm	4.97
Switz.	1.7120-1.7150	1.7130-1.7140	1.40-1.30c pm	9.45	3.90-3.80 pm	8.99

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 25	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.620929	0.649873
U.S. $	9½	1.27601	1.33464
Canadian $	11¼	1.45644	1.52109
Austria Sch.	3¾	17.7493	18.5716
Belgian F.	6	38.3505	40.1127
Danish K.	8	6.73478	7.04692
D mark	4	2.41664	2.52715
Guilder	6½	2.62029	2.74002
French Fr.	9½	5.55575	5.81037
Lira	10½	unavail.	1125.17
Yen	4¼	278.808	291.446
Nrwgn. K.	7	6.58102	6.88276
Spanish Pes.	8	86.5135	90.7089
Swedish Kr.	6½	Unavail.	5.86376
Swiss Fr.	1	2.18772	2.28825

CURRENCY MOVEMENTS

Apr. 26	Bank of England Index	Morgan Guaranty changes %
Sterling	66.1	−38.5
U.S. dollar	86.0	−8.0
Canadian dollar	82.8	−14.8
Austrian schilling	145.6	+18.9
Belgian franc	113.5	+11.2
Danish kroner	117.0	+6.0
Deutsche Mark	149.7	+41.4
Swiss franc	195.8	+80.5
Guilder	124.2	+20.0
French franc	99.1	−6.5
Lira	54.7	−46.8
Yen	132.8	+31.5

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Apr. 26	£	$		£ Note Rates
Argentina Peso	2442-2462	1195-1205	Austria	28-29
Australia Dollar	1.8455-1.8495	0.9033-0.9053	Belgium	62.30-63.30
Brazil Cruzeiro	48.06-49.06	23.52-24.01	Denmark	10.78-10.88
Finland Markka	8.17-8.19	4.0000-4.0100	France	8.88-8.98
Greek Drachma	74.830-76.646	36.63-37.50	Germany	3.84-3.94
Hong Kong Dollar	10.3850-10.442	5.0830-5.1115	Italy	1,710-1,750
Iran Rial	144-159	72-78	Japan	445-465
Kuwait Dinar (KD)	0.563-0.573	0.2780-0.2782	Netherlands	4.18-4.25
Luxembourg Frc.	61.50-61.60	30.11-30.13	Norway	10.52-10.62
Malaysia Dollar	4.5325-4.5425	2.2185-2.2235	Portugal	97-102
New Zealand Dlr.	1.9530-1.9590	0.9560-0.9590	Spain	137½-141½
Saudi Arab. Riyal	6.85-6.95	3.3790-3.3795	Switzerland	3.45-3.55
Singapore Dollar	4.4890-4.4990	2.1970-2.2020	United States	2.04¼-2.05¼
Sth. African Rand	1.7290-1.7390	0.8455-0.8510	Yugoslavia	42½-44½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 26	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.1283	+1.70	+1.41	±1.53
Danish Krone	7.08592	7.04879	−0.52	−0.81	±1.635
German D-mark	2.51064	2.52506	+0.57	+0.29	±1.1325
French Franc	5.79831	5.80320	+0.08	−2.20	±1.36
Dutch Guilder	2.72077	2.73590	+0.56	+0.27	±1.5075
Irish Punt	0.662638	0.661184	−0.22	−0.51	±1.665
Italian Lira	1148.15	1127.50	−1.80	−1.80	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.15-10.25 per cent; three months 10.30-10.40 per cent; six months 10.50-10.60 per cent; one year 10.40-10.50 per cent.

Apr. 26	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	11½-12	10-10¼	9½-10½	6⅛-6⅜	1	4⅛-4⅜	8½-10	11-12	—	¼-5
7 day's notice	11⅞-12⅛	10⅛-10⅜	9½-10½	6⅜-6⅝	1	4⅞-5	8½-10	10½-11½	10⅛-10¼	[illegible]
Month	12⅛-12⅜	10⅛-10⅜	10½-11⅛	6¾-7	1⅛-1¼	5⅛-5¼	8-8½	11¼-12¼	10¼-10⅜	[illegible]
Three months	12⅛-12⅜	10½-10⅝	10-10	7⅛-7¼	1⅜-1½	5⅛-5⅜	8⅜-8⅞	11½-12½	10½-10⅝	4⅛-5
Six months	12¼-12½	10⅝-10⅞	10-10	7½-7⅝	2⅛-2⅜	5⅞-6	9-9¼	12-13	10½-10¾	[illegible]
One year	12½-12⅝	10⅜-10⅝	10⅛-10⅜	7⅝-7⅞	2⅛-2⅜	6⅜-6½	9¼-9¾	12¼-13¼	10⅝-10¾	[illegible]

Long-term Eurodollar deposits: Two years [illegible] per cent; three years 10⅛-10⅜ per cent; four years 10-10⅛ per cent; five years [illegible] per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EXCHANGE CROSS RATES

Apr. 26	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'n	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.043	3.868	445.5	8.885	3.495	4.195	1727.	2.340	61.55
U.S. Dollar	0.489	1.	1.893	218.1	4.349	1.711	2.053	845.3	1.145	30.13
Deutschemark	0.259	0.528	1.	115.2	2.297	0.904	1.085	446.5	0.605	15.91
Japanese Yen 1,000	2.245	4.586	8.681	1000.	19.94	7.846	9.416	3877.	5.255	138.2
French Franc 10	1.126	2.299	4.353	501.4	10.	3.934	4.721	1944.	2.634	69.27
Swiss Franc	0.286	0.585	1.107	127.5	2.542	1.	1.200	494.1	0.670	17.61
Dutch Guilder	0.238	0.487	0.922	106.2	2.118	0.833	1.	411.7	0.558	14.67
Italian Lira 1,000	0.579	1.183	2.239	258.0	5.145	2.024	2.429	1000.	1.355	35.64
Canadian Dollar	0.427	0.873	1.653	190.4	3.797	1.494	1.793	738.0	1.	26.30
Belgian Franc 100	1.625	3.319	6.284	723.8	14.44	5.678	6.816	2806.	3.802	100.

INTERNATIONAL MONEY MARKET

New York rates steady

Interest rates showed little change following the 1 per cent rise in March in U.S. consumer prices compared with a 1.2 per cent rise in February. Trading was generally quiet with Federal *funds at 10-10⅛ per cent, slightly* easier than Wednesday's levels. Treasury bills were quoted at 9.07 per cent for 13-week and 9.33 per cent for 26-week bills.

FRANKFURT — Call money unchanged from Wednesday at 5.10-5.20 per cent as was the one-month rate at 5.40-5.50 per cent. Three-month money fell to 5.60-5.70 per cent from 5.65-5.75 per cent while six-month money was quoted at 6.10-6.20 per cent against 6.00-6.20 per cent. Twelve-month money was firmer at 6.40-6.60 per cent *from 6.30-6.50 per cent.*

PARIS — Day-to-day money eased slightly to 6¾ per cent from 6⅞ per cent but longer-term rates were unchanged. One-month money stood at 6¾-6⅞ per cent with three-month money at 6[illegible]-7[illegible] per cent, six-month money at 7¼-7¾ *per cent and 12-month* money at 7¾-7¾ per cent.

BRUSSELS — Deposit rates for the Belgian franc (commercial) showed very little change with one-month deposits quoted at 7¼-7¾ per cent against 7¼-7¾ per cent and three-month deposits at 7¾-8 per cent compared with 7¾-7⅞ per cent. The six-month rate was unchanged at 8¼-8½ per cent *while 12-month* money stood at 8¼-8⅝ per cent against 8¼-8⅝ per cent.

AMSTERDAM — The latest five-year *Treasury bill* tender drew Fl 569m at 7.375 per cent yesterday, bringing the Government's total income from Treasury bills this year to Fl. 2.2bn.

HONG KONG — Conditions in the money market were easy in the morning, but funds were in short supply during the afternoon. Call money was quoted at 13½ per cent with overnight business dealt at 13 per cent.

UK MONEY MARKET

Extremely large help

Bank of England Minimum Lending Rate 12 per cent (since April 5, 1979)

Day to day credit remained in short supply in the London money market yesterday, and the authorities gave an extremly large amount of assistance. They bought a small amount of Treasury bills both directly and indirectly and a small number of eligible bank ills for *resale at* fixed future dates. The authorities also lent a large amount to four or five houses at MLR *for repayment today. Discount* houses were paying etween 11½ per cent and 12 per cent for secured call loans for most of the day.

The market was faced with the repayment of Wednesday's extremely large official market advances as well as a moderate net *take-up of Treasury bills to finance.* On the other hand banks brought forward balances a small way above target and there was a moderate decrease in the note circulation.

In the interbank market, overnight loans opened at 12½-12½ per cent and fluctuated betwen 11 per cent and 13 per cent during the afternoon befre closing at around 12½ per cent.

Rates in the table below are *nominal in* some cases.

LONDON MONEY RATES

Apr. 25 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	11-13	—	—	—	12½	11½-12	—	—	—
2 days notice	—	—	12-12¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12[illegible]-12[illegible]	12⅛-12¼	—	—	—	—	—	—	—
One month	12[illegible]-11[illegible]	12[illegible]-12[illegible]	12-12[illegible]	12⅜-12½	12½	12½	11⅞-12	—	—	—
Two months	11[illegible]-11[illegible]	11[illegible]-12[illegible]	—	11⅝-12	12½	12⅜	11¾	11[illegible]-11[illegible]	11[illegible]-12	12¼
Three months	11[illegible]-11[illegible]	11[illegible]-11[illegible]	11⅞-11[illegible]	11⅜-11[illegible]	12⅜	—	11½-11⅝	11[illegible]-11[illegible]	11⅝	12⅛
Six months	11⅜-11¼	11½-11⅝	11⅜-11⅝	10⅞-11⅛	12¼	12¼	11¼-11½	11[illegible]-11[illegible]	11[illegible]-11½	12
Nine months	11⅛-11	11⅝-11½	—	11⅛-11⅜	[illegible]	—	—	—	10⅞-10⅞	11⅝
One year	11-10¾	11¼-11⅜	11½-11½	11-11¼	11¾	—	—	—	—	—
Two years	—	—	11¼-11⅜	—	11⅜	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 11⅝-11¾ per cent; four years 11¾-11⅞ per cent; five years 12 per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11[illegible]-11⅝ per cent; four-month trade bills 12 per cent.

Approximate selling rates for one-month Treasury bills 11[illegible] per cent; two-month 11⅝ per cent; three-month 11[illegible] per cent. Approximate selling rate for one-month bank bills 11[illegible]-11⅞ per cent; two-month 11⅝ per cent and three-month 11[illegible]-11[illegible] per cent; one-month trade bills 12⅛ per cent; two-month 12 per cent; and three-month 11⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 8-9½ per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.4425 per cent.

GOLD

Steady trading

Gold closed unchanged at $242¾-243 in moderate trading. It opened at $243-243¼, and was fixed at $242.25 in the morning and $242.50 in the afternoon. Trading was moderate with the metal improving to $243-243½ in the U.S. after the London close. The krugerrand's premium over the gold content narrowed to 5.61 per cent from 6.03 per cent for domestic delivery, and to 3.0 per cent from 3.25 per cent in the international market.

In Paris the 12½ kilo gold bar was fixed at FFr 34,300 per kilo ($245.13 per ounce) in the afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 14,755 per kilo ($242.52 per ounce) compared with DM 14,725 ($241.97) previously.

	Apr. 26	Apr. 25
Gold Bullion (fine ounce)		
Close	$242¼-243 (£118.6-119.0)	$242¼-243 (£118.6-119)
Opening	$243-243¼ (£118.9-119.1)	$241½-242 (£117.5-18.)
Morning fixing	$242.20 (£118.269)	$241.50 (£117.478)
Afternoon fixing	$242.25 (£118.302)	$241.80 (£117.894)
Gold Coins, domestically		
Krugerrand	$254¼-258¼ (£124½-126½)	$256¼-258 (£125½-126½)
New Sovereigns	$65½-67½ (£32-33)	$64½-66½ (£31¾-32¾)
Old Sovereigns	$78½-80½ (£38½-39½)	$75-77 (£36¾-37¾)
Gold Coins, internationally		
Krugerrand	$249½-250½ (£122¾-123¼)	$249½-251½ (£122-125)
New Sovereigns	$62½-64½ (£30½-31½)	$62¾-63¾ (£30½-31½)
Old Sovereigns	$78½-80½ (£38½-39½)	$78½-80½ (£38½-39½)
$20 Eagles	$355-360	$351-354
$10 Eagles	$193-198	$191-196
$5 Eagles	$132-137	$128-133

MONEY RATES

NEW YORK	
Prime Rate	11.25-11.[illegible]
Fed Funds	10.0625
Treasury Bills (13-week)	9.07
Treasury Bills (26-week)	9.33
GERMANY	
Discount Rate	4
Overnight Rate	5.15
One month	5.45
Three months	5.65
Six months	6.15
FRANCE	
Discount Rate	9.5
Overnight Rate	6.75
One month	6.8125
Three months	7
Six months	7.3125
JAPAN	
Discount Rate	4.25
Call (Unconditional)	5.725
Bills Discount (Three-month)	5.425

APPOINTMENTS

Board change at Yorkshire Bank

Sir Anthony Touche has been appointed to the Board of YORKSHIRE BANK replacing Mr. Alan Russell, who has retired. Sir Anthony has been a director of National Westminster Bank since 1967 and became a deputy chairman in 1977.

★

Mr. H. D. M. Barton, a member of the London Board of Advice of the NATIONAL BANK OF AUSTRALASIA, has retired.

★

Mr. E. A. Haynes, deputy chairman of North Eastern Gas for the past two years, has been appointed deputy chairman of NORTH THAMES GAS from May 1.

★

Mr. L. W. Wright has been appointed vice chairman of JOSEPH STOCKS AND SONS (HOLDINGS). Mr. Robert J. Lawton, Mr. Peter J. Ostenseld, and Mr. Colin H. Noble, company secretary, have joined the main Board, all being employees of Joseph Stocks and Sons, a subsidiary.

★

Mr. Gerhard E. Hasse has been appointed president of the ATLANTIC CONTAINER LINE IN CANADA *from May 24.*

★

Sir John Partridge has become *chairman of the Board of Governors* of UNITED WORLD COLLEGE OF THE ATLANTIC. *He succeeds Dr. David Atterton* who has held that position for six years and remains a Governor.

★

Mr. Glynwed Jones has been appointed chief registrar of LLOYDS BANK in succession to *Mr. Reg Illingworth* who becomes regional general manager of the bank's North and East *Midlands region.*

★

Mr. Owen W. Jones has been appointed general manager metals procurement BICC from May 1, succeeding the late Mr. Bill Millership.

★

Mr. A. F. Sweetman has been appointed a director of IAN McCALL INTERNATIONAL.

★

Mr. Allan A. S. Rae has been appointed a non-executive direc*tor of TURNER AND NEWALL* from May 1. He is chairman of the CIBA-GEIGY group in the UK and a member of the executive committee of CIBA-GEIGY, Basle, Switzerland.

★

Mr. L. D. C. Laird has been appointed a director of MATHESON AND CO.

★

Mr. Stanley A. Collister, deputy marketing director of READS AND DRUMS, has been appointed to the Board as director of sales with full responsibility for drum and general line products. Mr. Bernard G. Stroud relinquishes his position as *marketing director* but remains on the Board of Reads and Drums, Drums Limited, and Bratt Crowther Limited.

★

M. Richard D. Leslie has become general manager and director of SALVESEN MARINE (OFFSHORE) and Mr. Gerry Harcombe has been appointed to the new post of manager—marine operations and a director of the company.

★

Mr. A. W. Morgan, *group personnel director,* will retire from SIME DARBY HOLDINGS on July 31. The personnel function of the group will then be split into two posts, Mr. J. Manickavasagam as group director, personnel plantations and Tunku Abdul Aziz bin Tunku Ibrahim, group director, personnel international.

★

Mr. Roy Jennings has been appointed director, European tax practice of ARTHUR ANDERSEN AND CO. and his position as head of the tax division in London will be taken over by Mr. Roger Cooke from May 1.

★

Mr. John R. Hopwood has been elected president of the BRITISH LAMPBLOWN SCIENTIFIC GLASSWARE MANUFACTURERS ASSOCIATION. He is a director of Wood Brothers Glass Company and *the youngest president* of BLSGMA since its formation in 1917.

★

Mr. Alexander Coombe-Tennant and Mr. Leigh Windsor will be retiring from the partnership of CAZENOVE AND CO., stockbrokers, on April 30. Mr. Victor Lampson joins the partnership on May 1.

★

Mr. W. J. Long will cease to be a member of LAING AND CRUICKSHANK, stockbrokers, from May 5 to take up a position outside the Stock Exchange. Mr. R. D. Bramley, Mr. R. E. Dowdall, Mr. T. J. D. Hoare, Mr. F. H. M. Poole, Mr. C. J. Tyce and Mr. A. N. Whitney will, subject to election as members of the Stock Exchange, become members of the company.

★

Mr. Ray Holding has been appointed regional director of BRIAN WOODHEAD AND CO. He was previously manufacturing director of Foster Brothers Clothing.

★

Mr. Robert A. Teitsworth, an executive vice-president, has been elected to the Board of OCCIDENTAL PETROLEUM CORPORATION.

★

Mr. John D. Fletcher has been appointed president and group chief executive of the ORIEL FOODS GROUP.

Mr. John C. Page has become chairman of Oriel and will be *moving to the U.S.* to take over additional responsibilities within RCA Corporation, the parent concern.

★

Three new members of the STOCK EXCHANGE have been admitted to the Scottish Unit. They are Mr. J. G. Matheson, who will become an associate member with Parsons and Co., *Glasgow, and Mr. A. S. Gray* and Mr. J. D. Stephen, who will both become associated members with *Campbell Neill and Co., Glasgow.*

★

Mr. M. E. Constant, senior manager of the London branch of BANQUE CANADIENNE NATIONALE, has been appointed general manager of the branch.

★

CITICORP INTERNATIONAL BANK has appointed the following executives as vice presidents: *Mr. John Bouckley* and Mr. Andrew Dobson, based in London, and Mr. Peter Siegl, in *Bahrain.*

★

Mr. Tony Wolff, group associate director of the Mack Organisation and managing director *of* Mack and Edwards Sales, Covent Garden, has been appointed to the Board of *M AND W MACK.*

★

RENAULT UK has made the *following* appointments and *managerial* changes: Mr. Alan Dakers, formerly director of marketing and publicity, becomes public affairs consultant / director, working directly with Mr. Alain de Saint-Victor, managing director of Renault UK. Mr. Philippe Gamba, who was planning director, has been made manager of the *South London branch, taking* over from Mr. Anthony Newell, now responsible for branch liaison under Mr. Monty Davis. Mr. James Ensor has been appointed planning director, with additional responsibility for advertising, assisted by Mr. John Springate on national advertising and by Mr. Jean Capdet, planning manager. Mr. Bernard Casin *returns* to Paris to take up an after-sales position at Renault's headquarters on June 1, and will be *succeeded* as technical director by Mr. Pierre Jocou. Mr. Geoffrey Charles is now *external* relations and Press relations manager.

★

The WARD WHITE GROUP has made a number of appointments in its manufacturing and distribution divisions. Mr. D. S. Cave has been appointed managing director of Eagle Shoes replacing Mr. J. Lloyd, *who is leaving the company.* Mr. P. F. P. Joseph succeeds Mr. Cave *as managing director of Little Duke Shoemakers.* Mr. Joseph has been replaced as managing director of John White Branded Footwear by Mr. L. A. Dean. Mr. T. L. Batten takes over Mr. Dean's position as general manager of Ward White Footwear Overseas and Mr. M. J. Cromwell is now export sales executive, reporting to Mr. Batten. Mr. T. R. Lovell has been made managing director of Protective Footwear Services, a member of the Safety Products Division, replacing Mr. H. G. Banfield who has resigned from the company. Mr. C. N. *Lucas* has been appointed managing director of George Ward Footwear.

FOOD PRICE MOVEMENTS

	April 26 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton ...	1,120	1,090	1,090
British A.1 per ton ...	1,065	1,035	1,035
Ulster A.1 per ton‡ ...	1,065	1,035	1,035
BUTTER			
NZ per 20 kg	14.11/14.24	14.11/14.24	—
English per cwt†	81.65	81.65/82.96	81.65
Danish salted per cwt†	85.10/87.85	85.10/87.89	83.10/85.85
CHEESE¶			
NZ per tonne	—	—	—
English cheddar trade per tonne	—	—	—
EGGS*			
Home produced:			
Size 4	2.80/3.10	—	3.10/3.40
Size 2	3.50/3.30	—	3.30/3.60
	April 26 p	**Week ago p**	**Month ago p**
BEEF			
Scottish killed sides ex-KKCF	57.0/60.0	55.0/59.0	54.0/58.0
Eire forequarters	37.0/40.0	36.0/40.0	34.0/38.0
LAMB			
English	—	—	60.0/74.0
NZ PLs/PMs	48.5/50.0	48.0/50.0	47.5/49.0
PORK			
All weights	33.0/45.0	34.0/45.0	34.0/45.0
POULTRY			
Oven-ready chickens...	38.5/42.0	38.5/41.0	37.5/39.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ Unavailable. ¶ For delivery April 28-May 5.

APPOINTMENTS

PUBLIC NOTICES

BEDFORDSHIRE COUNTY COUNCIL BILLS

£4,000,000.00 Bills maturing on the 25th July 1979 were offered and issued on the 25th April 1979 at an average rate of discount of 11.417968%. The minimum rate accepted was 11.40625% and 25% of the Bills were allotted at that price. Applications totalled £37,000,000.00. These are the only Bills outstanding.

BERKSHIRE COUNTY COUNCIL BILLS

£10m due 26.7.79., issued 26.4.79. Average £97.16. £81m applications. £16m outstanding.

CORPORATION BILLS

Eastbourne Borough Council placed £0.675m on 25th April due 25th July 1979 at 11¼%. No other bills outstanding.

Cannock Chase District Council issued £0.23m on 25th April due 24th October 1979 at 10¾%. Applications totalled £1.38m. No other bills outstanding.

STRATHCLYDE REGIONAL COUNCIL

£6m Bills, issued 25.4.79, maturing 25.7.79, at 11⅛%. Total applications £59.5m. Bills outstanding £24m.

COUNTY OF CLEVELAND

£17m 91-day Bills, issued 11.4.79 to 11.7.79 at average rate of 11.1507. Applications totalled £120.5m. No other Bills outstanding.

HAMPSHIRE COUNTY COUNCIL

£12.5m Bills, issued 25.4.79. £8.5m Bills mature 23.5.79. £4m Bills mature 25.7.79, all at 11%. Total applications £94.5m. Bills outstanding £33m.

KNOWSLEY COUNCIL

£1m Bills, issued 25.4.79, maturing 25.7.79 at 11⅛%. Total applications £10m. Bills outstanding £1m.

COMPANY NOTICES

UNILEVER N.V.
Rotterdam, The Netherlands

ANNUAL GENERAL MEETING OF SHAREHOLDERS

On Wednesday May 16 1979, at 10.30 a.m. in the "Kleine Zaal" of the Concert- en Congresgebouw de Doelen, entrance Kruiskade 30, Rotterdam.

AGENDA
1 The Annual Report for 1978.
2 Approval and adoption of the Balance Sheet and the Profit and Loss Account for 1978 and adoption of the proposed Profit Appropriation for 1978.
3 Appointment of the Board of Directors.
4 Appointment of Auditors.
5 Questions.

[illegible]

... branches of Banque Nationale de Paris, of the Dresdner Bank A.G. or the Deutsche Bank A.G. in Hamburg, Dusseldorf, Frankfurt-am-Main or Munich, or the Bank für Handel und Industrie A.G. or the Berliner Disconto Bank A.G. *in Berlin* or the Creditanstalt Bankverein, the Oesterreichische Länderbank Aktiengesellschaft or Schoeller & Co. in Vienna or any of their branches, of the Schweizerischer Bankverein (Swiss Bank Corporation), The Schweizerische Kreditanstalt (Swiss Credit Bank) in Zurich, Geneva, Basle or ...

... duction of the receipt then issued to them, such certificate holders will be admitted to the meeting.

(E) Holders of certificates for shares in Unilever N.V. issued by N.V. Nederlandsch Administratie- en *Trustkantoor in the name of* Midland Bank Trust Company Limited (or in its former name Midland Bank Executor and Trustee Company Limited) ("sub-share certificates") wishing to attend the Meeting without taking part in the voting must deposit such sub-share certificates with Midland Bank ... Administratie- en Trustkantoor, Amsterdam, and Midland Bank *Limited London. Upon production* of the receipts then issued by N.V. Nederlandsch Administratie- en Trustkantoor and Midland Bank Limited respectively the holders will be admitted to the meeting.

The receipt issued by Midland Bank Limited for sub-share certificates so surrendered incorporates a two-way proxy form.

Rotterdam.
April 24 1979.
THE BOARD OF DIRECTORS

ALGEMENE BANK NEDERLAND N.V.

Incorporated in The Netherlands with limited liability

FINAL DIVIDEND FOR THE YEAR 1978

At the Annual General Meeting held on 27th April, 1979 a final dividend of Dfls. 13.00 per share was declared payable, at the option of the shareholders in shares and cash or wholly in cash, as from 10th May, 1979.

Shareholders opting for the shares and cash alternative would be entitled to a share premium bonus of Dfls. 2.50 in ordinary shares together with Dfls. 6.- in cash against presentation of coupons 41 and 42. They will receive one additional ordinary share of Dfls. 100.- for every 40 coupons no. 42 from the ordinary shares or 4 coupons no. 42 from certificates of 10 ordinary shares presented at the following offices:

Baring Brothers & Co. Ltd.,
88, Leadenhall Street,
London, EC3A 3DT.
Algemene Bank Nederland N.V.
61 Threadneedle Street,
London, EC2P 2HH.
Algemene Bank Nederland N.V.
61, King Street,
Manchester, M2 4PD.
Algemene Bank Nederland N.V.,
35, Waterloo Street,
Birmingham, B2 5TL.

New share certificates may be distributed in the form of CF-certificates or as K-certificates with coupons 43 and following and talon attached.

Stock options not exercised by 31st July, 1979, will be sold and the proceeds held for distribution to holders of coupons no. 42 not presented for payment by that date.

Shareholders opting for cash will be entitled to cash payments of Dfls. 6.- and Dfls. 7.- per share against coupons 41 and 42, respectively.

U.K. residents who are liable to U.K. taxes on dividends paid to them and who do not carry on a trade or business in The Netherlands through a *permanent establishment situated therein, may have Netherlands dividend tax* reduced from 25 per cent to 15 per cent if the coupons are accompanied by a completed form 92VK, which may be obtained at either of the above mentioned offices.

Amsterdam, 27th April, 1979 — THE MANAGING BOARD

RENOWN INCORPORATED
NOTICE TO E.D.R. HOLDERS

On 16th April 1979 the Board of Directors met and issued the following report:—

ANNUAL BUSINESS RESULTS
(Audited and on a consolidated basis)

Year ended 31st December 1978

	Y million 1978	Y million 1977	U.S.$ thousands 1978	U.S.$ thousands 1977
Net sales	168.799	163.631	803.800	731.576
Income before income tax ..	10.044	8.625	47.829	41.071
Income tax	6.121	4.824	29.148	22.971
Income from consolidated operations	3.923	3.801	18.681	18.100
Equity interest on earnings of Associated Companies. Net	607	218	2.890	1.038
Net income	4.530	4.019	21.571	15.138

CASH DIVIDEND APPLICABLE TO THE YEAR

	Yen	Yen	U.S. Dollars	U.S. Dollars
Historical unadjusted per share	10.00	10.00	0.05	0.05
Net income per share adjusted	41.71	39.44	0.20	0.18

Note: Exchange Rate Y210 to U.S.$1

Copies of the annual report will be available to E.D.R. holders at the offices of Robert Fleming & Co. Limited (The Depositary), 8, Crosby Square, London, EC3A 6AN.

CENTENARY FUND S.A.
société anonyme

Registered Office:
Luxembourg, 14 rue Aldringen
Registre de Commerce
Luxembourg Section B 8198

DIVIDEND ANNOUNCEMENT

Centenary Fund S.A. will pay a 12 cents U.S. dividend per share on or after May 4th, 1979 to holders on record on April 19th, 1979. Shares will be traded ex-dividend after April 19th, 1979.

The dividend is payable to holders *of bearer shares* against presentation of coupon number 4 at:
Banque Generale du Luxembourg S.A.,
27, avenue Monterey,
Luxembourg.

The Board of Directors.

INTERCOM
SOCIETE INTERCOMMUNALE BELGE DE GAZ ET D'ELECTRICITE
Société anonyme
Place du Trone 1, Brussels, Belgium

The Board of Directors have decided on April 13th, 1979 to propose the annual general meeting of shareholders which will be held on May 18th, 1979 to maintain the remuneration of the capital for the financial year 1978 by distributing a dividend (net of Belgian withholding tax) equal to that of the *preceding financial year.*

The net dividend for 1978 would be fixed at BF 142 for the old shares and at BF 94.66 for the new shares entitled to dividend right as from *May 1st, 1978.*

NOTICE IS HEREBY GIVEN that the Ordinary General Meetings of THE LONDON LIFE ASSOCIATION LIMITED and THE METROPOLITAN LIFE ASSURANCE SOCIETY and the Joint General *Meeting of the Association and the Society* will be held at the Armourers' Hall, 81, Coleman Street, in the City of London on Wednesday, 23rd May, 1979, at 12.30 p.m.

(a) to receive the Directors' Report and Accounts.
(b) to re-elect Directors.
(c) *to re-appoint Messrs. Price Waterhouse* and Co. as Auditors.
(d) to authorise the Directors to fix the remuneration of the Auditors.
(e) *to transact ordinary business.*

By Order of the Board,
A. K. TUDOR,
General Manager and Director.

Dated this 4th day of April, 1979.

NICHII CO. LTD.

NOTICE TO EDR HOLDERS

Advice has been received from Tokyo that business results for the year to February 28, 1979, are as follows:

	Yen (Millions)
Sales	349.643
Gross Income	10.239
Net Income	5 730

Further to notice given on March 2, 1979, the shareholders have approved *the year end cash dividend of Yen 8.50* per share.

The Chase Manhattan Bank N.A., advises EDR holders that with regard to the forthcoming 1 for 10 free distribution the new shares are expected to be delivered in Tokyo on or about May 10, 1979, and, subject to splitting, will be available for sale or transfer as soon as practicable after that date. A further notice will be published advising EDR holders as to the amount of the cash dividend to be paid in U.S. Dollars and when both Coupons No. 5 and No. 6, *may be presented for payment.*

THE CHASE MANHATTAN BANK, N.A., London, as Depositary.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1976
ASHLEY MICHAEL LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.
situate at 3/4 Bentinck Street,
London W1A 3BA,
on Thursday, the 3rd day of May, 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 *of the said Act.*

Dated this 18th day of April, 1979.
By Order of the Board,
M. ISADORE, Director.

THE COMPANIES ACT, 1948
IN THE MATTER OF
EXECUTIVE LEASING LIMITED

By Order of the High Court of Justice dated the 27th day of March, 1979 I, GEORGE ALBERT AUGER of Messrs. Stoy, Hayward and Partners, 44 Baker Street, London, W.1, have been appointed Liquidator of the above-named Company. All debts and claims should be sent to me.

Dated this 19th day of April, 1979.
G. A. AUGER, Liquidator.

IN THE MATTER OF
EXQUISITE HOUSEHOLD SELECTIONS LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 24th day of May, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned
PHILIP MONJACK, FCA,
of 3/4 Bentinck Street,
London, W1A 3BA
the Liquidator of the said Company, and, *if so required by notice in writing* from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 12th day of April, 1979.
PHILIP MONJACK,
PETER COPP,
Liquidators.

IN THE MATTER OF
HUSEDGE LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, *are required* on or before the 31st day of May, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of *their debts or claims,* and the names and addresses of their Solicitors (if any), to the undersigned
PHILIP MONJACK, FCA,
of 3/4 Bentinck Street,
London, W.1.
the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such *time and place as shall be specified in* such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts *are proved.*

Dated this 19th day of April, 1979.
PHILIP MONJACK, Liquidator.

WORLD STOCK MARKETS

Early lower levels on Wall St.: Utilities weak

INVESTMENT DOLLAR PREMIUM
$2.60 to £1— 62¾% (60¼%)
Effective $2.0430 27¾% (26%)

LOWER LEVELS developed in moderately active trading on Wall Street yesterday. Recently strong Oils were mixed, while Utilities were weak.

By 1 pm the Dow Jones Industrial Average was down 5.02 to 862.44 and the NYSE All Common Index shed 18 cents to $57.62, while declines led advances by a seven-to-five majority. Trading volume expanded 1.18m shares to 22.01m, compared with 1 pm on Wednesday.

Closing prices and market reports were not available for this edition.

The Labor Department reported Consumer Prices rose 1 per cent in March after a 1.2 per cent February rise. The gain was on the high end of Wall Street's range of expectations.

With Weekly Banking figures due after the close, investors were not likely to be very aggressive.

General Public Utilities, which owns the crippled Three Mile Island nuclear reactor, cut its quarterly dividend to 25 cents a share from 45 cents. Analysts said the move was expected.

General Public Utilities dropped $¼ to $10¼. It has lost about a third of its value since the accident at its Three Mile Island plant at the end of March, which pushed its dividend yield to nearly 16 per cent.

Duke Power, which has several nuclear plants similar to the Three Mile Island Station, topped the active list, slipping $¼ to $16¾.

Active **Southern Company** held unchanged at $13¾.

Fairchild Camera were a bright spot, surging ahead $6¾ to $50¾—Gould Inc. proposed to acquire Fairchild for $54 a share in cash and stock. Gould eased $¼ to $25¾.

Among Oils, **Exxon** slipped $¼ to $53¾ and **Continental Oil** $¼ to $34¾, but **Mobil** climbed $¾ to $80¾ on sharply higher first quarter profits.

IBM lost $1 to $310¾. **Eastman Kodak** eased $¼ to $63¾ on its first quarter profits.

The American SE market value index added 0.50 at 184.01 on volume of 2.55m (2.69m).

Oil shares gained. **Dome Petroleum** rose $1¾ to $121¾, **Canadian Superior Oil** $¾ to $102, **Total Petroleum (North America)** $¼ to $21, **Ranger Oil** $¼ to $20¾, **Aequitaine** $¼ to $27¾ and **Petro-Lewis** $¼ to $16¾.

Among the actives, **Resorts International "A"** fell $¾ to $47. **Syntex** shed $¼ to $37¾ and **Amdahl** also $¼ to $42¾.

Anken Industries dropped $2¼ to $16¾—Xidex said if Anken's Board did not act soon on a proposed takeover bid at $30 a share, Xidex would drop the offer.

Canada

Markets yesterday continued higher from Wednesday's record close, with the Toronto Composite Index rising another 3.4 to 1,484.0. Trading was again active.

The Oil and Gas Index moved up 13.6 to 2,239.1, Golds 11.8 to 1,565.9, Metals and Minerals 0.4 to 1,270.2, Papers 1.77 to 160.84, Utilities 0.69 to 224.41 and Banks 0.28 to 310.10.

Gulf Oil Canada advanced $¼ to $47¾ and **Texaco Canada** $¼ to $62. **Dome Petroleum** were lifted another $2 to $139.

Macmillan Bloedel gained $¼ to $23¾ on higher earnings and a raised dividend.

Bombardier added $¾ at $12¾ on its higher earnings. **Falconbridge Copper** put on $¼ to $8¾.

Paris

French share prices generally improved in moderately active trading. Brokers said the market reflected to a small extent a statement by French Premier Raymond Barre to the effect that France is "relatively well placed" as regards inflation over the first quarter of this year, when compared with the U.S., Britain, Italy and West Germany.

Only among Mechanicals was some hesitation seen—advances predominated in all other sectors.

Metallurgique Navale Dunkerque-Normandie put on 10 per cent after maintaining its dividend for 1978.

Declining against the general trend were **La Henin, Martell, Auxiliaire des Entreprises, Poclain, Prenatal, Alsthom, Creusot-Loire** and **Europe 1**.

Movements among Internationals were more moderate. Americans and Canadians were steady to slightly firmer, Germans, Oils and Coppers easier, Gold Mines and Dutch issues narrowly mixed.

Brussels

Stocks closed higher in active trading except for Oils all other sectors were in the uptrend.

Steels, Non-Ferrous Metals, Chemicals and Holding Companies were better, with **Cockerill** up Frs 3 to 492, **Hoboken** Frs 20 to 3,220, **Tessenderloo** Frs 80 to 840 and **Societe Generale** Frs 10 to 2,025.

In the Warehouse list, **GB-Inno-BM** gained Frs 25 to 2,650—sales figures for March were 13 per cent higher in comparison to the same month in 1978. There were also reports on a 10 per cent interest in the do-it-yourself chain Scotty's of Florida.

Portfolio Securities were better with **Cofimines** up Frs 11 to 424 on a Frs 30 increased dividend to Frs 300. **Electrorail** rose Frs 4 to 684 on a 1978 turnover of Frs 3,926bn (Frs 3,247bn).

Among Foreign stocks, French and South African Gold Mines rose. U.S. shares ended higher.

Amsterdam

Shares closed mostly lower. **Royal Dutch**, however, firmed in otherwise lower Internationals.

Hoogovens lost Fl 2.2 to Fl 30 ahead of Estel's announced return to a significant final quarter loss after a small third-quarter profit.

Van Ommeren, KLM, Nationale Nederlanden, Ennia and **NMB** each rose against the general trend.

Bols were Fl 65 ex its one-for-10 bonus.

Wessanen lost Fl 5 ex its Fl 3 final dividend.

State Loans were little changed.

Switzerland

Banks were a shade lower, while awaiting first quarter results of major Banks.

Swiss Bank Corporation dipped SwFr 1 to 381, its non-voting shares SwFr 2 to 331, **Union Bank** SwFr 25 to 3,200 and **Credit Suisse** SwFr 15 to 2,200.

Insurances were narrowly mixed in two-way trading. **Swiss Re-insurance** fell SwFr 25 to 5,300 and **Helvetia** non-voting SwFr 10 to 975, while **Winterthur** shares were generally up SwFr 5.

Among mixed Chemicals, **Ciba-Geigy** registered were off SwFr 6 to 710 but **Sandoz** registered were up SwFr 15 at 2,050.

Financials and Industrials were firm. **Saurer** put on SwFr 25 to 1,270 on increasing Daimler-Benz take-over rumours.

Presse Finanz were active and up SwFr 5 to 280. **Fischer** also gained SwFr 5 to 745 and **Alusuisse** SwFr 15 to 1,360.

Foreign issues ended a recent uptrend, falling in moderate trading as losses exceeded gains 60-to-41 in 300 transactions. U.S. stocks were mixed.

Germany

Leading shares lost up to DM 2 before recovering somewhat, though most closed lower on balance.

AEG shed DM 1.60 to 58.30, while **Siemens** eased 50 pfennigs to DM 256.

In Chemicals **BASF** slipped 30 pfennigs to DM 138.90, and **Hoechst** 20 pfennigs to DM 135.40.

Daimler, down DM 3 to 295, led Motors down. **VW** eased 30 pfennigs to DM 239.50.

In the Domestic Bond Market, Public Authority issues were again on offer, losing up to 90 pfennigs, despite Bundesbank purchases of DM 19.1m after DM 49.7m on Wednesday.

Mark-denominated Foreign Loans declined by up to DM 1.

Milan

Prices firmed in fairly active trading.

Olivetti Privileged gained L96 to 1144.

In Chemicals, **Liquigas, Snia Viscosa** and **Montedison** each firmed.

Among Bonds, there was strong demand for the Treasury's recent three-year floating rate issue, and other issues with nearby maturities also firmed slightly.

Tokyo

Prices closed higher in active trading—470m (500m) shares—although initial gains were curbed by late profit-taking.

All Energy-Related issues, Chemicals, Speculatives and Petrochemicals firmed, more than offsetting increased profit-taking.

Shipbuildings and Shippings, however, were lower on profit-taking, while Export-Orientated Electricals and Cameras also fell.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
♦ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
◊ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

Stock	Apr. 25	Apr. 24
Abbott Labs	32½	32¾
AM International	15⅞	16
Adobe Oil & Gas	25⅝	25½
Aetna Life & Ca.	44⅛	44
Air Products	28	27⅞
Alcan Aluminium	37½	37
Corning Glass	56¼	56½
CPC Int'nation'l	49⅛	49⅛
Crane Co.	30⅞	31
Crocker Natl.	29⅛	29⅛
Crown Zellerb'h.	34⅛	34⅝
Cummins Engine	36⅜	36⅛
Curtiss Wright	14½	14⅜
Johns Manville	25½	25⅜
Johnson Johnson	70	70
Johnson Control	28⅝	29⅛
Joy Manufacturg	31	31⅞
K. Mart	26⅛	26⅝
Kaiser Alumini'm	20⅛	20⅜
Kaiser Industries	3⅛	2⅞
Kaiser Steel	29½	28⅝
Kaneb Services	15½	15⅞
Revlon	47½	47⅜
Reynolds Metals	37⅜	37⅜
Reynolds R.J.	57¼	57⅜
Rich'son Merrell	22	23¼
Rockwell Inter.	39	39⅛
Rohm & Haas	38	38
Royal Dutch	67⅞	67⅝
RTE	10⅛	10⅜
Woolworth	28⅞	29⅛
Wyly	6⅝	6⅞
Xerox	58⅛	57⅞
Zapata	16	16⅝
Zenith Radio	14⅞	15⅜
U.S. Treas.4%'80	†95⅞	95⅞
USTreas4¼%75-85	†81⅛	[illegible]
U.S. 90-day bills	9.05%	8.96%

Stock	Apr. 25	Apr. 24
Wells-Fargo	[illegible]	[illegible]
Western Bancorp	28½	[illegible]
Western N.Amer.	31⅞	31⅞
Western Union	18	17⅜
Westing'he Elec.	18½	17¾
Weyerhaeuser	29⅜	29⅞
Whirlpool	19⅝	19¾
White Con. Ind.	27½	27
William Co.	18⅞	18½
Wisconsin Elect.	25½	25½

CANADA

Stock	Apr. 25	Apr. 24
TransMount Pipe	11	11⅛
Trizec	†22	†21
Union Gas	11	11
Untd Siscoe Mnes	9¼	9⅛
Walker Hiram	43⅝	42½
West Coast Trans.	13⅞	13⅜
Weston (Geo.)	24⅜	24

† Bid. ‡ Asked. § Traded. ‖ New stock.

Indices

NEW YORK —DOW JONES

	Apr. 25	Apr. 24	Apr. 23	Apr. 20	April 19	Apr. 18	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
● Industr'ls	867.46	868.86	860.10	866.88	865.25	860.27	878.72 (10/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.16	84.24	84.15	84.12	84.74	84.08	85.90 (2/2)	84.08 (12/4)	—	—
Transport	232.61	252.62	251.11	251.01	231.29	232.62	235.25 (10/4)	206.73 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	102.28	102.27	102.53	102.74	105.15	105.04	104.94 (6/4)	99.10 (2/1)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	31,790	35,670	25,860	28,890	31,338	29,590	—	—	—	—

● Day's high 872.31 low 863.22

Ind. div. yield %	Apr. 20	Apr. 12	Apr. 6	Year ago (approx.)
	5.78	5.68	5.65	5.75

STANDARD AND POORS

	Apr. 25	Apr. 24	Apr. 23	Apr. 20	April 19	Apr. 18	1979 High	1979 Low	Since C'mpil't'n High	Since C'mpil't'n Low
‡Indust'ls	114.57	114.13	115.58	112.90	112.85	115.46	116.65 (9/1)	107.98 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	102.50	102.20	101.57	101.23	101.28	101.78	105.54 (10/4)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Apr. 18	April 11	April 4	Year ago (approx.)
Ind. div. yield %	5.10	5.08	4.97	5.14
Ind. P/E Ratio	8.60	8.67	8.70	8.94
Long Gov. Bond Yield	9.04	9.06	8.99	8.30

N.Y.S.E. ALL COMMON

April 25	Apr. 24	Apr. 23	Apr. 20	1979 High	1979 Low
57.80	57.62	57.29	57.09	58.18 (10/4)	53.88 (27/2)

Rises and Falls

	April 25	Apr. 24	Apr. 23
Issues Traded	1,886	1,914	1,901
Rises	765	904	769
Falls	645	558	649
Unchanged	475	452	483
New Highs	55	62	36
New Lows	21	21	15

MONTREAL

	April 25	Apr. 24	Apr. 23	Apr. 20	1979 High	1979 Low
Industrial	247.56	245.89	244.92	244.98	250.31 (27/3)	219.18 (2/1)
Combined	250.90	249.40	248.51	249.08	250.98 (5/4)	225.80 (2/1)
TORONTO Composite	1486.8	1468.5	1465.6	1454.2	1480.6 (25/4)	1315.5 (2/1)
JOHANNESBURG Gold	251.7	249.5	244.5	244.0	259.7 (7/2)	223.4 (17.4)
JOHANNESBURG Industrial	317.5	372.2	315.1	312.5	325.8 (5/4)	[illegible]

	Apr. 26	Previous	1979 High	1979 Low
Australia (¶)	568.44	564.88	597.68 (19/3)	545.72 (2/1)
Belgium (‖)	106.76	107.17	107.69 (24/4)	96.80 (3/1)
Denmark (**)	96.31	96.87	96.36 (20/4)	88.32 (8/1)
France (††)	86.6	86.9	[illegible] (24/4)	71.6 (15/2)
Germany (‡‡)	784.5	788.7	839.6 (16/1)	774.2 (25/3)
Holland (§§)	76.8	77.6	85.9 (24/1)	75.8 (21/3)
Hong Kong (¶¶)	528.08	528.21	568.90 (5/2)	485.85 (2/1)
Italy (‖‖)	74.26	75.75	78.46 (26/3)	68.58 (2/1)
Japan (a)	448.25	446.76	462.87 (31/1)	435.22 (10/4)
Singapore (b)	381.69	381.25	387.88 (11/4)	346.34 (23.2)
Spain (d)	—	—	111.86 (8/3)	95.03 (12/1)
Sweden (e)	364.65	365.47	401.34 (6/2)	354.68 (26/4)
Switzerl'd (f)	322.4	322.2	322.4 (26/4)	294.0 (3/1)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000: the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Amerada Hess	581,700	34⅛	+2
Gen. Public Util.	551,600	11⅞	+⅛
Ramada Inns	536,200	12⅛	+1⅛
Sterling Drug	428,200	19⅛	+⅛
Texaco	397,000	27⅛	+⅛
Charter Co. Wnts.	379,600	10½	−⅛
Gulf Oil	329,700	27⅛	+⅛
Reserve Oil	295,500	17⅛	+1⅛
Charter Co.	255,200	15⅞	−⅛
Standard Oil Calif	239,800	49⅞	−⅛

AUSTRALIA

Apr. 26	Aust. $	+ or −
ACMIL (25 cents)	†0.65	
Acrow Australia	†1.05	
AMATIL $1	†2.22	+0.01
Ampol Exploration	†1.38	−0.05
Ampol Petroleum	†0.68	

STOCKHOLM

Apr. 26	Price Kronor	+ or −	Div. Kr.	Yld. %
AGA AB (Kr. 40)	186	−9	6	3.2
Alfa Laval (Kr. 50)	128		6	4.7
ASEA (Kr. 50)	66.5		5	7.6
Atlas Cop. Kr25	90.5	−2.5	7	7.8
Billerud	57		—	—
Bofors	120		5	4.1

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Banks Ltd.	12 %
Amro Bank	12 %
American Express Bk.	12 %
A P Bank Ltd.	12 %
Henry Ansbacher	12 %
Associates Cap. Corp.	13 %
Banco de Bilbao	12 %
Bank of Credit & Cmce.	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½%
Barclays Bank	12 %
Bremar Holdings Ltd.	13 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12 %
Canada Perm't Trust	12 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12 %
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	13 %
Co-operative Bank	*12 %
Corinthian Secs.	12 %
Credit Lyonnais	12 %
The Cyprus Popular Bk	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
English Transcont.	12½%
First Nat. Fin. Corp.	15 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Julian S. Hodge	13 %
Hongkong & Shanghai	12 %
Industrial Bk. of Scot.	12½%
Keyser Ullmann	12 %
Knowsley & Co. Ltd.	13½%
Lloyds Bank	12 %
London Mercantile	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Rossminster	12 %
Royal Bk. Canada Tst.	12 %
Schlesinger Limited	12 %
E. S. Schwab	13 %
Security Trust Co. Ltd.	13 %
Shenley Trust	14 %
Standard Chartered	12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
Twentieth Century Bk.	13 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½%
Williams & Glyn's	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%, 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 10% and over £25,000 10½%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 9½%.

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS 1586

C = Call P = Put

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Japan and Russia sign salmon deal

By David Satter in Moscow

A PROTOCOL governing salmon fishing by the Japanese in the north-west Pacific this year has been signed by the Soviet Union and Japan.

It calls for increased compensation for the Soviets but no rise in the size of the Japanese catch.

Japanese sources said that Japanese fishermen will be allowed to take 42,500 tonnes of salmon from the north-west Pacific during the salmon season this year between May 1 and August 10.

The Soviet Union has jurisdiction over salmon resources in the open seas because the fish breed in Soviet rivers.

The size of the allowed Japanese catch is the same as last year but the Japanese consider that their quota has been effectively reduced because 1979 is a bumper crop year for salmon.

The Japanese this year are to pay Y3.25bn (£7.19m) in compensation to the Soviets for the right to fish salmon. This compares with compensation of Y1.76bn last year, which was 4.5 per cent of the retail price of the catch.

Brazil coffee chief to visit Europe

RIO DE JANEIRO—The new Brazilian Coffee Institute (IBC) president, Octavio Rainho, will attend the annual meeting of the European Coffee Roasters Association in Strasbourg next week, reports Reuter.

Sr. Rainho will also visit London for a coffee promotion meeting at the International Coffee Organisation

Coffee traders are anxiously waiting for the Brazilian Coffee Institute, under its new leadership, to make clear its plans about possible sales from its stocks. It is thought some IBC stocks will be required to tide traders over before the new crop is harvested in July if domestic and export commitments are to be met.

It is rumoured in Brazil that the IBC is studying the possibility of introducing an auction system by selling its stocks through the Sao Paulo commodity exchange.

At present the IBC is only prepared to sell from its stocks at well above current market levels.

New milk price rise urged

BY RICHARD MOONEY

HOUSEWIVES are threatened with higher milk prices following a call by the Dairy Trade Federation for a ½p a pint retail price increase to compensate for increased labour costs.

The Federation wants the milk price to go up to 14p a pint from June 1 to make up for the 10.25 per cent increase in basic wages which took effect from the beginning of this month. It said the increase had actually raised labour costs by 13-15 per cent because of extra allowances for overtime working.

The pasteurised milk price went up to 13½p a pint from 12½p on November 5.

Figures published by the Ministry of Agriculture yesterday show that liquid milk consumption in the UK fell for the fourth year in succession during 1978. The yearly total was down to 7,373m litres compared with 7,484 in 1977.

But total milk output continued to increase with a high proportion going for the manufacture of butter, milk and cream.

Traditionally liquid milk consumption has always been highly sensitive to rises in retail prices.

Dairy products, though providing a lower return to farmers, have steadily increased in production. Sales of milk for manufacturing rose to 7,715m litres last year from 6,921m in 1977. Butter production accounted for 3,650m litres (3,038m); cheese 2,171m (2,073m); and cream 1,019m (975m).

Bacon rashers are likely to be about 2p a pound dearer in the shops next week following the announcement yesterday of £30 a tonne first-hand price rises

The rises were led by the Danes whose returns have been cut recently by £50-£60 a tonne because of the Green Pound devaluation and changes in the coefficients used to calculate monetary compensatory amounts.

Compromise U.S. Sugar Bill agreed

THE U.S. House Agriculture Committee has approved a three-year Sugar Bill carrying an initial 1979 market price objective of 15.8 cents a pound which may be supplemented by a direct producer payment of up to 0.5 cents a pound.

This announcement, which followed difficult negotiations extending over many months, came to late to affect prices on the London sugar market but in New York prices rose the permissible daily limit in early trading.

Meanwhile in Beunos Aires, changes to the mechanisms of the International Sugar Agreement, which would enable further cuts in supplies to the world market, are being informally suggested by some delegates at this week's meeting of the group of Latin American and Caribbean Sugar Exporting Countries (Geplacea).

Under present ISA rules export quotas of member countries can be cut by up to 18.5 per cent to restrict supplies to support international sugar prices.

However, although exports have been reduced by the maximum 18.5 per cent for some time, prices have shown little response. This has led to some delegates seeking a further 10 to 15 per cent on top of the 18.5 per cent.

Countries supporting such a move, which include Argentina, feel this extra flexibility could have some real impact on the international sugar market.

Under ISA rules members who cut exports by more than 18.5 per cent limit risk a reduction in their official quotas, as these are based on the amount the respective country exports.

If the maximum reduction is extended, this would enable members voluntarily to reduce further exports without jeopardising their quotas.

It was noted that countries supporting an extension to the quota cuts are mainly those which are no over-dependent on their sugar industry. Such a move could be opposed by those, such as Cuba or the Dominicen Republic.

New bid to end nickel strike

By John Edwards, Commodities Editor

TALKS AIMED at ending the seven-month-old strike at International Nickel's Sudbury mine complex were continuing in Toronto, Reuter reported last night.

The company confirmed that it has presented a new proposal on thet erms of new labour contracts last week. The union bargaining committee went back to the talks this week with a counter-proposal and discussions are continuing.

The strike by 11,700 workers started in September.

A bid to end another long-running strike, by workers at Noranda's Gaspe mine, ended in failure. The workers, who have been on strike since October, rejected by a big margin the company's latest wage offer, it was reported from Montreal. There are no plans for fresh talks at this stage.

Rallied

On the London Metal Exchange yesterday copper prices rallied from Wednesday's setback encouraged by reports of trade buying interest, including Chinese inquiries. Cash wirebars gained £14 to £993 a tonne and, significantly, moved to a slight premium over the three months quotation. Cash cathodes have been at a small premium for some time reflecting a general tightening of supplies available to the market.

Cash tin prices jumped again as a "squeeze" on nearby supplies tightened Cash tin gained £110 to £7,580 a tonne moving to a premium of £422.5 above the three months quotation which was only £12.50 up at £7,157.5

The scarcity of nearby supplies is attributed to heavy shipments of tin out of the LME warehouses to the Soviet Union, and fresh East European buying interest, that has forced dealers to cover their positions.

Reports of further Soviet buying interest also lifted lead prices again. Cash lead gained £4 to £571.5 a tonne—making a rise of £41.5 so far this week.

UK FARMLAND

Assessing the true value

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

INDUSTRIAL PROBLEMS in the Ministry of Agriculture have prevented publication of the latest figures for land prices. But private reports indicate that values are still escalating.

Their actual level has now almost reached cloud cuckoo land as far as economic justification is concerned. At £2,000 an acre—a very moderate figure in these days—the interest charge at even 10 per cent is £200 a year and at present few crops gross this.

This is not the place to go into the motivation of people who pay this sort of money for land—whether they are institutions, farmers or Arab sheiks.

Land has become an investment like old masters and kruggerands. A hedge against inflation, but with, in many cases, a cost of upkeep that may well approach its economic return. Rather like an old master portrait, which needs a daily shave.

Where this rise in land values is causing most apprehension is in the field of taxation. Not only are farmers facing the prospect of capital transfer and gains taxes, but now two parties—Labour and Liberal—are calling for a wealth tax to be levied on an annual basis.

It is quite true that there are reliefs for owner-occupied businesses, including farms, which halve the value of the capital assets and give even more relief as well. But as capital values of farming assets increase, without any improvement in their earning capacity, so the reliefs lose their value.

This has led to a demand from the National Farmers Union that the valuation of farms for taxation should not be based on open market sales, when they are transferred at death or for any other reason other than outright sale. Instead the NFU say the economic value for farming should be the basis for valuations.

When introducing the Conservative farming proposals the other day Mr. John Peyton's only departure from a text, which could well have been written by his opponent John Silkin, suggested a similar formula for valuation to that favoured by the NFU. It is a suggestion which has been made before, and on the face of it a sensible one, but it does raise difficulties.

At present those valuing for capital transfer tax are the district valuers. These have a simple guideline; that is the value of comparable areas of land which have been sold on the open market within recent weeks or months. They are not equipped to assess the economic returns from any particular farm or land.

Their judgement is based on what would be paid by a willing buyer in open competition with other willing buyers. All such transactions are subject to stamp duty, so the district valuers are able to keep track of their values in their areas on a day-to-day basis.

When a farmer or landowner dies, his property is normally valued on a vacant possession basis, which is directly linked with similar sales for valuation purposes. Only if the farm is subject to a tenancy or other impediment to open market sale, is there room for argument.

A tenancy these days is almost a permanency, and sales of tenanted land are usually at levels of a third to a half that of similar land sold with vacant possession.

On law and order, he urges a tougher line on vandalism and crime and speaks openly about "sorting out young thugs." He favours hanging for deliberate murder in pursuit of crime and terrorism. On taxes, he says too high a proportion of wages is taken from the owner.

When Mr. Sproat says that his ideas suit the Scottish attitude, he may be indulging in hyperbole but he does not lack the courage of his convictions. On some issues the Tory Party has come round to espousing views that he has long held. He opposed devolution when the party was for it, and on capital punishment the party is now reflecting more his views than those of the party's liberals.

Evidence indicates, though, that the hierarchy wants Mr. Sproat at arm's length.

Although he has one of the most marginal seats in Britain, let alone Scotland, Mrs. Thatcher did not go into Aberdeen, South, when she paid a flying visit to the North-east of Scotland yesterday.

The value in this case is usually based on the net rent over a period of years. Even so the valuer can argue that the rent is artificially low or that buyers in general are ignoring economics, in the same way as they are in cases of vacant possession land, and hoping for na increase in returns in the future.

There is no doubt though that by arranging for tenancies, farmers can make the burden of inheritance much less onerous for their heirs.

However, rents are also inflating fast, and the NFU now is tying to alter the terms which guide arbitrators under the Act of 1958.

At present these lay down that the criterion should be what is agreed between a willing landlord and willing tenant. But with the scarcity of farms to rent these days, most landlords conduct new lettings by tender.

These are set very high indeed by bidders whose first consideration is the tenancy, whatever it costs, and who appear to trust to inflation or luck to make these tender rents look reasonable in time.

In fact some of these rents could be looked upon as key money, and exising tenants say that they do not represent economic rents. But arbitrators do not in general have to concern themselves with economics and it is questionable if many would have the qualifications to assess farming values anyway.

To find a system of valuation for tax purposes for rents based on farming economics should not be beyond the wit of man. They do operate both in the Common Market countries and elsewhere.

In France, for instance, where about half the land is tenanted, rents in the main are fixed according to the notional production of the land in terms of beef, wheat and milk and translated into cash at market prices. The rents under this system are fixed by a committee of all interests on a regional basis.

This system has come to replace the sharefarming, or emiayage, which is common all over the world and still endures in parts of France. In this the landlord gets a certain percentage of the crop statutorily defined or its value on sale.

Something on these lines will probably have to be instituted in Britain and the sooner the better.

Australian wool exports likely to rise

CANBERRA—The Australian Bureau of Agricultural Economics has raised its forecast of wool exports in the 1978/79 season ending June 30 to 706m kilos, greasy equivalent. This compares with 1977/78 exports of 633m kilos.

The 1978/79 wool output forecast is 691m kilos against 677m kilos the previous season.

The bureau forecast 1978/79 live sheep exports would be much the same at 5m head.

Wool auction prices are now expected to average about 205 cents a kilo greasy, against the 1977/78 average of 187 cents. This follows the greater than expected market upsurge at auctions.

Major factors behind the recent wool price surge are higher Japanese demand and increased oil prices, the Bureau said.

However, the increased oil prices are likely to fuel inflation, depress economic growth and therefore reduce demand for wool later in 1979. Auction prices are expected to ease.

But higher man-made fibre prices and lower wool supplies will continue to support wool prices and there is scope for further sales from Australian Wool Corporation stocks, the Bureau added.

The bureau also estimated the harvested 1978/79 Australian wheat crop amounted to a record 18.3m tonnes compared with a revised estimate of 9.37m tonnes for the drought-hit 1977/78 crop.

The forecast for Australian raw sugar exports in 1978/79 is lowered to 1.92m tonnes against 2.48m in 1977/78. The harvested crop is put at 2.90m tonnes against 3.34m previously.

The Bureau predicted the value of Australian farm exports will rise 15 per cent to $A5.80bn (£3.2bn). In 1977/78, farm exports accounted for 41 per cent of total Australian export value.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Higher on the London Metal Exchange. Forward metal moved between £985 and £990 in the morning with Continental trade support evident firmer-than-expected opening on Comex pushed forward metal up into the mid-£990s and the price moved further ahead on the late kerb, influenced by the U.S. market, to close at £999.5, after touching £1,001. Turnover 25,225 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	991.5-2	+15.2	992.5-3.5	+14
3 months	991-2	+11	992.5-5	+10.5
Settl'm'nt	992	+15	—	......
Cathodes				
Cash	989-90	+9	990-1	+8
3 months	985-.5	+8.25	988.5-9	+7.75
Settl'm'nt	990	+9	—	......
U.S. Smt.	—	......	*89-103.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £991, 91.5, 92, three months £990, 89, 88, 89, 88.5, 88, 87, 88, 88, 89, 90, 91, 91.5, 91, 90.5, 91. Cathodes, cash £989, three months £988, 87, 88. Kerb: Wirebars, three months £991, 92, 93, 94, 95, 94, 93, 93.5, 94. Afternoon: Wirebars, late April £992, three months £993.5, 93, 92.5, 93, 91, 92, 91.5, 91, 91.5, 92, 92.5, 93. Kerb: Wirebars, cash £998, three months £993, 95, 96, 97, 98, 99, 1,000, 1, 1,000, 999.

TIN—Gained ground, reflecting the continuing tightness of nearby supplies. After opening lower at £7,130 owing to the lower Penang market, forward metal moved up to the day's high of £7,200, influenced by the strength of cash metal, prior to closing the late kerb at £7,180. Turnover 1,380 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7580-60	+80	7560-60	+110
3 months	7155-65	+55	7175-95	+15
Settlem't	7560	+90	—	......
Standard				
Cash	7555-60	+92.5	7560-60	+110
3 months	7145-50	+55	7155-60	+12.5
Settlem't	7560	+90	—	......
Straits, E.	£61951	—17	—	......
New York	—	......	—	......

Morning: Standard, cash £7,500, 55, three months £7,130, 20, 30, 40, 45. Kerb: Standard, three months £7,145. Afternoon: Standard, three months £7,140, 45, 50. Kerb: Standard, three months £7,160, 80.

Morning: Cash £571, 72, 73, 72, 71, three months £530. Kerb: Three months £530, 29. Afternoon: Cash £572, 71, three months £529, 30. Kerb: Three months £529, 28, 28, 30, 29.

LEAD—Firmer following further East European inquiry which pushed forward metal up from £528 to £531 prior to closing at £530. Turnover 5,600 tonnes.

Morning: Three months £392, 92.5, 92, 93. Afternoon: Three months £393.5, 94, 94.5. Kerb: Three months £396, 95.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	571-.2	+11	571-2	+4
3 months	529.5-30	+10.5	529-30	+4.75
Sett'ment	572	+11	—	......
U.S. Spot	—	......	*45	......

ZINC—Edged higher, reflecting the strength of both copper and lead. Forward metal traded between £392 and £396 before ending the late kerb at £398.5. Turnover 5,025 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	381-2	+6	382.5-3.5	+5.5
3 months	393-4	+6	394.5-5	+5.75
S'ment	382	+6	—	......
Prim.west	—	......	*37.5-8.8	......

Morning: Three months £758, 61, 62, 63, 64, 63.5. Afternoon: Three months £763, 62. Kerb: Three months £762.

ALUMINIUM—Barely changed in idle trading with forward metal moving between £760 and £763 before closing the late kerb at £762 a seller. Turnover 2,650 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	767-8	—5.25	762-6	—5.5
3 months	763.5-4	+2	761-2	+2

Morning: Three months £2,880, 83, 80, 95, 2,900, 2,896, 97, 2,900. Afternoon: Three months £2,915, 14, 18, 20. Kerb: Three months £2,910, 20.

NICKEL—Moved ahead for the third successive day to close the late kerb at £2,921 owing to renewed merchant short covering. Turnover: 388 tonnes.

NICKEL	a.m Official	+ or —	p.m. Unofficl'l	+ or —
Spot	—	......	—	......
3 months	2895-900	+70	2920-2	+58.5

* Cents per pound. $ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 2.1p an ounce higher for spot delivery in the London bullion market yesterday at 362.20p. U.S. cent equivalents of the fixing levels were: spot 744.3c, down 0.3c; three-month 760.6c, down 0.9c; six-month 775.0c, down 4.0c; and 12-month 799.0c, down 0.8c. The metal opened at 368¾-369¾p (753-755c) and closed at 369½-370½p (754½-756½c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	367p	+4.8	369.5p	+2.55
3 months	376.7p	+5.8	379.35p	+2.7
6 months	385.30p	+5.6	—	......
12 months	399.5p	+5.9	—	......

LME—Turnover 192 (253) lots of 10,000 ozs. Morning: Three months 377, 7.1, 7.3, 7.5, 7.4, 7.3, 7.1, 7.2. Afternoon: Three months 377.8, 78, 8.2, 8.3, 8.4, 8.5, 8.2, 79.4, 79, 9.1, 9.2. Kerbs: Three months 378, 78.3, 8.2, 8.5, 79.4, 9.5, 9.6.

COCOA

COCOA futures remained steady throughout a quiet and featureless day close £10 higher than last night's levels, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
May	1628.0-30.0	+7.0	1660.0-15.0
July	1582.0-84.0	+9.0	1596.0-70.0
Sept	1616.0-18.0	+8.5	1618.0-1595
Dec	1679.0-80.0	+9.0	1681.0-58.0
March	1708.0-10.0	+4.5	1718.0-94.0
May	1728.0-40.0	+5.0	—
July	1785.0-50.0	—12.5	—

Sales: 1,567 (2,103) lots of 15 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price April 25 146.31 (149.97): Indicator prices for April 26: 15-day average 148.89 (146.95): 22-day average 147.96 (148.16).

COFFEE

ROBUSTAS opened unchanged to slightly higher and during a quiet morning session when values held steady the prominent feature became trade buying in the spot positions, reports Drexel Burnham Lambert. In the afternoon the market tended to drift lower but remained in a tight range throughout. Values finished £5—plus £5 on the day.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1585-1587	+86.0	1610-77
July	1545-1548	—85.0	1568-45
September	1544-1546	—84.0	1556-43
November	1541-1544	—81.5	1564-42
January	1537-1541	......	1547-41
March	1530-1532	—81.5	1533-28
May	1515-1530	—82.5	1525

Sales: 2,582 (4,827) lots of 5 tonnes.

ICO Indicator prices for April 25 (U.S. cents per pound): Colombian Mild Arabicas 146.00 (145.50), unwashed Arabicas 146.00 (same); Robustas ICA 1968 144.50 (same); Robustas ICA 1976 144.00 (same); other Mild Arabicas 140.87 (140.50). Composite daily average 138.89 (144.50).

GRAINS

LONDON FUTURES (GAFTA)—Old crops opened 15-20p higher. Wheat saw a good two-way trade at 30p up and values remained steady to close 45p up on the day. May barley values initially traded 15p higher but values eased slightly in thin volume and closed 10p up. New crops opened 10p up on wheat and 10-15p higher on barley. Options saw good buying support throughout the session and values remained steady to close 30-35p up on wheat and 35-40p higher on barley, Acli reports.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
May	102.25	+0.45	96.85	+0.1
Sept.	93.20	+0.35	87.35	+0.35
Nov.	96.05	+0.35	90.60	+0.4
Jan.	99.50	+0.30	93.95	+0.4
Mar.	102.30	+0.30	96.85	+0.35

Business done—Wheat: May 102.25-102.00, Sept. 93.30-93.05, Nov. 96.10-95.85, Jan. 99.60-99.50, March 102.30-102.30. Sales: 189. Barley: May 96.90-96.75, Sept. 87.35-87.15, Nov. 90.70-90.30, Jan. 94.00-94.00, March 96.70-96.70. Sales: 122.

HGCA — Locational ex-farm spot prices. Feed barley: Hants and W. Sussex 87.80, N. Lincoln 96.00.

The UK monetary coefficient for the week beginning April 30 will increase to 1.206.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent. April/mid-May 85.25, May 85.50, June 84.50, transhipment East Coast. U.S. Hard Winter 13½ per cent unquoted. EEC unquoted. Maize: U.S./French May 112.00, June 13.00, East Coast. S. African White unquoted. S. African Yellow May 78.00, nominal. Barley: English feed fob May 102.60, June 103.00, Oct.-Dec. 92.50, Jan-March 97.50, April-June 101.50, sellers East coast April-June 101.25, paid East coast.

RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing quiet. Lewis and Peat reported a Malaysian godown price of 279 (283) cents a kg (buyer, May).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
June	61.70-61.75	—	61.75-61.30
July	62.65-63.00	—	62.65-62.80
Jy-Sept.	63.95-64.00	64.95-65.05	64.10-63.80
Oct-Dec	68.75-68.30	67.00-67.10	67.20-65.80
Jan-Mar	67.90-68.00	68.75-68.90	68.95-67.65
Apr-Jne	69.90-69.95	70.55-70.45	69.95-69.30
Jy-Sept.	71.70-71.75	72.20-72.25	71.75-71.35
Oct-Dec	73.60-73.65	73.95-74.00	73.95-73.60
Jan-Mar	75.95-75.70	75.95-75.90	75.70-75.60

Sales: 44 lots at 5 tonnes, 811 at 15 tonnes.

Physical closing prices (buyers) were Spot 61p (61.5); June 65.15p (65.25); July 64.75p (65.25).

SUGAR

LONDON DAILY PRICE (raw sugar): £95.00 (same) a tonne cif for March-April shipment. White sugar daily price was £100.50 (same).

Fluctuations were contained within a 60 point range of prices with a steady undertone evident. Closing levels were close to the highs of the day, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	98.75-98.80	99.50-99.90	98.60-98.80
Aug.	102.25-02.30	105.45-05.50	105.50-01.80
Oct.	106.25-06.30	107.25-07.40	107.75-05.75
Dec.	110.15-10.25	110.00-11.15	111.15-09.75
March	115.00-15.10	115.75-16.00	116.00-14.75
May	119.00-19.10	119.75-19.90	119.00
Aug.	121.50-22.00	122.25-22.50	121.50-21.50

Sales: 2,689 (3,495) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £279.50 (same) a tonne for home trade and £163.00 (£162.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for April 25 7.58 (7.60): 15-day average 7.61 (7.66).

WHITE SUGAR—Close (in order buyer, seller, business, sales): July 102.75, 103.00, 102.50, 61; Sept. 106.00, 106.25, 106.00, 20; Nov. 110.25, 110.50, nil, nil; Feb. 118.00, 118.25, nil, nil; April 121.75, 122.00, 121.50, 6; July 125.00, 127.00, nil, nil; Sept. 130.00, 132.00, nil, nil. Sales 77.

SOYABEAN MEAL

The London Market opened slightly easier, reported T. G. Roddick. Trade was quiet and the market stayed in a narrow range. Commercial interest on forward positions helped to steady prices.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
June	125.50-25.7	—0.45	124.50-125.70
August	125.50-25.7	—0.45	125.80-125.80
October	125.00-25.2	—0.45	—
December	125.80-24.1	+0.85	124.10-125.20
February	124.00-25.0	+0.1	—
April	127.00-27.5	+1.8	—
June	125.00-29.0	—0.85	—

Sales: 46 (105) lots of 100 tonnes.

WOOL FUTURES

LONDON GREASY—Close (in order buyer, seller): May 230.0, 237.0; July 247.0, 253.0; Oct. 250.0, 255.0; Dec. 250.0, 255.0; March 250.0, 255.0; May 250.0, 255.0; July 250.0, 255.0; Oct. 250.0, 255.0. Sales nil.

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: May 393.0, 394.0, 396.0-394.0, 64; July 406.0, 407.0, 407.0-406.5, 18; Oct. 404.5, 405.0, 406.0-404.0, 25; Dec. 405.0, 406.0, 406.0-405.3, 33; March 407.0, 408.0, 408.0-407.0, 4; May 407.5, 409.0, 409.5-408.5, 2; July 409.0, 410.0, nil, nil; Oct. 411.5, 413.0, 411.5-411.0, 3. Sales 149.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller): May 190.0, 197.0; July 198.0, 202.0; Oct. 200.0, 203.0; Dec. 205.0, 209.0; March 205.0, 209.0; May 205.0, 209.0; July 205.0, 209.0; Oct. 205.0, 209.0. Sales 7.

BRADFORD—The market remained quiet due to lack of business and end season factors, traders said. Capacity appeared too great for demand, origin wool markets having shown no real upturn since Easter. Top quotations are subject to fairly large concessions in sufficient cases to keep the market tone soft.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone. Shelf cod £3.40-£4.00, codlings £2.60-£3.80; medium haddock £3.80-£4.20, small £2.20-£3.40; medium plaice £3.40-£4.00, best small £3.40-£4.20; larged skinned dogfish £8.50, medium £5.50; large lemon soles £7.00, medium £6.00; saithe £1.60-£2.40.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on April 26. GB—Cattle 76.03p per kg.l.w. (+1.63); UK—Sheep 192.1p per kg.est.d.c.w. (—5.5); GB—Pigs 58.7p per kg.l.w. (—0.8). England and Wales: Cattle numbers up 11.6 per cent, average price 75.64p (+0.50); Sheep numbers down 1.4 per cent, average price 192.0p (—5.6); Pig numbers up 3.7 per cent, average price 58.7p (—0.8). Scotland: Cattle numbers up 28.2 per cent, average price 77.41p (+4.51).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 57.0 to 60.0; Eire hindquarters 76.0 to 79.0, forequarters 37.0 to 40.0.

Veal: Dutch hinds and ends 91.0 to 95.0.

Lamb: English small new season 90.0 to 104.0. Imported frozen: NZ PL new season 49.5 to 50.0, PM new season 48.5 to 49.5.

Hoggets: English 70.0 to 85.0; Scottish 70.0 to 84.0.

Pork: English, under 100 lb 35.0 to 45.0, 100-120 lb 34.5 to 43.0, 120-160 lb 33.0 to 42.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Tangerines—Californian: 100/125s 6.00. Oranges—Spania: Bloods 3.10-3.40; Israeli: Shamouti 4.40-5.50; Cyprus: 3.50-4.50; Moroccan: Valencia Lates 4.00-4.20. Ortaniques — Jamaican: 8.25-8.75. Lemons—Italian: 100/120s 4.80-5.00; Cyprus: Trays 3.40-4.30; Spania: Trays 30/40/45 1.50-2.20; S. African: 5.50-6.00. Grapefruit—Cyprus: 3.00-5.00; Israeli: Jaffa 27/88 3.45-4.25; S. African: 30/64 3.00-3.80. Apples—S. African: Dunn's 5.00-5.80, Golden Delicious 5.50-6.75, Starking 5.90-6.80, Jonathan 5.00-5.20, Granny Smith 7.00-7.50, White Winter Pearman 6.20-6.60; French: Golden Delicious (20-lb) 72s 1.70-2.00, 84s 1.60-1.80, (jumble pack) per pound 0.08, Starkrimson (40-lb) 138/198s 4.00-5.20, (jumble pack) per pound 0.08, Starking (40-lb) 150/175s 3.60-5.00; Italian: Granny Smith per pound 0.11, Romeo 0.09; Washington: Red Delicious 40-lb 7.50-10.00; New Zealand: Cox's 163/175/198 8.00-8.60; Chilean: Granny Smith per box 163/175 7.00-7.20. Pears—S. African: Cases 40-lb Packham's 7.50, Beurre Bosc 6.20-6.40; cartons Winter Nelis 5.00-5.50, Packham's 5.80-6.70, Beurre Hardy 5.00-5.50, Beurre Bosc 5.50-5.80; Italian: Passacrassane trays 14-lb 2.40; Chilean: Winter Nelis cases 150s 6.50, Packham's 7.80. Plums—S. African: Per pound Songold 0.35-0.40, Golden King 0.35-0.40. Bananas—Jamaican: Per 28-lb 3.90-4.20. Grapes—S. African: Cartons, Waltham Cross 4.00-4.20, Barlinka 3.90-4.00, Golden Hill 5.80, New Cross 5.50; Chilean: Almeria 5.00, Red Emperor 4.80. Strawberries—Italian: Approx. ½-lb punnets 0.30; Spanish: 0.28-0.35.

PRICE CHANGES

In tonnes unless otherwise stated.

	Apr. 26 1979	+ or —	Month ago
Metals			
Aluminium	£710	......	£710
Free Mkt (cs)	$1580-1600	......	$1,600/20
Copper			
Cash W'bar	£993	+14.0	£1,046.5
3 mth	£992.75	+10.5	£1,057.25
Cash Cathode	£990.5	+8.0	£1,059.5
3 mth	£988.75	+7.75	£1,050
Gold troy oz	$242.625	......	$241.875
Lead cash	£571.5	+4.0	£582
3 mth	£529.5	+4.75	£545.5
Nickel	£2750.09	......	£2,525.14
Freemkt(cif)(lb)	258/60c	+6.5	245/50c
Platin'm tr'y oz	£159	......	£164.5
Free mkt	£194.85	+0.15	£194.2
Quicksil'ver	$270/80	+1.5	$255/60
Silver troy oz	367p	+4.8	365.9p
3 months	376.7p	+5.0	374.7p
Tin cash	£7,580	+110.0	£7,315
3 mths	£7,157.5	......	£7,247.5
Tungsten	$137.42	......	$137.51
Wolfrm 22.04 cif	$135/40	......	$134/39
Zinc cash	£383	+5.5	£400
3 months	£394.75	+5.75	£410.25
Producers	$800	......	$800
Oils			
Coconut (Phil)	$1,090p	......	$1,016
Groundnut	‡	......	‡
Linseed Crude	£411	+6.0	£441
Palm Malayan	$660x	—2.0	$684
Seeds			
Copra Philip	$730r	......	$690
Soyabean (U.S.)	$307x	+6.6	$321.45
Grains			
Barley Futures	£87.35	+0.35	£87.05
Maize			
French No 3 Am	112r	......	£110
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	£89.75
Eng. Milling†	£101.5	......	£103*
Other commodities			
Cocoa ship't	£1,649	+9.0	£1,714
Future July	£1,593	+9.0	£1,678.5
Coffee Ft'r July	£1,546.5	—5.0	£1,464
Cotton A'index	73.4c	+0.25	73.95c
Rubber kilo	61p	—0.5	62p
Sugar (Raw)	£95	......	£105
Wooltp's 64s kl	284p	—1.0	291p

* Nominal. † New crop. ‡ Unquoted. p April-May. q May-June. r May. s June-July. April-June. u June. x Per ton. z Indicator. § Buyer.

AMERICAN MARKETS

NEW YORK, April 25.

Cocoa—May 139.00 (142.60), July 141.25 (145.05), Sept. 143.30, Dec. 146.15, March 148.30, May 149.90, July 151.40, Sept. unquoted. Sales: 1,077.

Coffee—"C" Contract: May 143.75-144.00 (143.41), July 148.05-148.20 (147.48), Sept. 151.82-151.95, Dec. 151.48-151.80, March 148.35-148.45, May 148.25-148.70, July nil. Sales: 2,415.

Copper—April 87.40 (86.40), May 87.45 (86.50), June 88.00, July 88.50, Sept. 88.60, Dec. 88.90, Jan. 88.95, March 89.10, May 89.25, July 89.40, Sept. 89.55, Dec. 89.75, Jan. 89.75.

Cotton—No. 2: May 60.30-60.40 (58.08), July 61.50-61.58 (60.19), Oct. 62.75-62.90, Dec. 62.55-62.60, March 64.00, May 65.00-65.20, July 66.10-66.80, Oct. 66.10-66.80. Sales: 8,050.

*Gold—April 243.00 (242.00), May 243.40 (242.70), June 245.40, Aug. 249.50, Oct. 253.80, Dec. 258.10, Feb. 262.40, April 266.80, June 271.20, Aug. 275.80, Oct. 280.00, Dec. 284.40, Feb. 288.80.

Orange Juice—May 107.40 (108.15), July 109.10-109.40 (109.70), Sept. 109.90-109.00, Nov. 105.00, Jan. 100.90-101.00, March 101.30, May 101.70-101.80, July 102.00-102.30, Sept. 102.15-102.50.

Potatoes (round whites)—Nov. 60.5-60.9 (61.2), March 69.3-69.8 (70.0), April unquoted, May 81.5-81.9. Sales: 21.

This edition went to press before the latest U.S. commodity prices were available.

*Platinum — April 397.00 (396.50), May 398.90-399.10 (394.60), June 397.90-397.81, July 392.50-394.00, Oct. 392.00, Jan. 393.60-394.44, April 395.10-395.30, July 397.60-397.80, Oct. 400.10-400.30.

¶Silver—April 755.20 (743.50), May 755.50 (744.70), June 762.20, July 769.00, Sept. 780.20, Dec. 795.50, Jan. 800.40, March 810.20, May 820.10, July 830.00, Sept. 839.90, Dec. 855.20, Jan. 860.20. Handy and Harman spot 749.00 (748.00).

Sugar—No. 11: May 7.52 (7.61), July 7.91 (8.05), Sept. 8.25, Oct. 8.41, Jan. 8.75, March 9.16, May 9.41, July 9.63, Sept. 9.83.

Tin — 695.00-710.00 nom. (700.00-705.00 nom.). Spot 695.00-710.00 asked.

CHICAGO, April 25.

Lard—Chicago loose 26.25. New York prime steam 27.75 traded (same).

Live Hogs—June 49.90-49.95 (49.[illegible]), July 50.25-50.15 (49.45), Aug. 47.40-47.30, Oct. 44.15-44.10, Dec. 44.85-44.90, Feb. 43.70 asked, April 41.60, June 43.55 asked. Sales: 5,531.

‡‡Maize—May 257½-257¼ (256), July 263-263½ (261½), Sept. 268-268¾, Dec. 269-268¾, March 276¾-276, May 281¾.

Plywood—May 203.0 (203.3), July 206.0-206.7 (206.0), Sept. 206.0, Nov. 204.2, Jan. 205.0, March 206.1, May 206.1 asked, July 206.1 asked, Sept. 206.1 asked.

Pork Bellies—May 59.70-59.80 (57.82), July 58.25-58.20 (56.47), Aug. 55.25-55.10 asked, Feb. 54.30, March 53.65, May 54.00 bid, July 54.00 bid, Aug. 52.50. Sales: 5,398.

Shell Eggs—May 54.90 asked (54.20), June 55.80 (55.30), July 57.60 bid, Aug. nil, Sept. 61.40, Oct. nil, Nov. nil, Dec. 63.00. Sales: 131.

Silver—April 753.0-753.5 (749.7), May 755.0 (750.4), June 762.5-761.0, Aug. 773.5-773.0, Oct. 784.0, Dec. 794.0, Feb. 804.0, April 814.0, June 824.0, Aug. 834.0, Oct. 844.0, Dec. 854.5, Feb. 865.0, nom., April 875.5, June 886.0, Aug. 896.5, Oct. 907.0, Dec. 918.0 nom.

‡Soyabeans — May 737½-737 (738), July 752-753 (751½), Aug. 751½-753, Sept. 725-725½, Nov. 708½-708¼, Jan. 718-718½, March 730-731, May 738.

||Soyabean Meal—May 192.80-192.90 (192.00), July 198.20-198.30 (197.90), Aug. 199.50-199.70, Sept. 196.50-195.20, Oct. 193.20-193.50, Dec. 193.00-193.20, Jan. 194.50, March 197.00-197.30, May 198.50-199.80.

Soyabean Oil — May 28.45-28.40 (26.47), July 26.75-26.80 (26.72), Aug. 26.75-26.80, Sept. 26.30-26.35, Oct. 25.85, Dec. 25.55, Jan. 25.50, March 25.55-25.50, May 25.55, July 25.50.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 180.85 (179.55).

WINNIPEG, April 26. §Rye—May 103.90 asked (103.50), July 103.60 asked (103.20 bid), Oct. 103.60 asked, Dec. 103.60 asked.

§Barley—May 87.60 bid (89.50), July 88.80-86.90 (88.50), Oct. 88.50, Dec. 88.10 asked, March 88.40 asked.

§Oats—May 85.50 (85.20 asked), July 83.90 asked (83.50 bid), Oct. 86.20 asked, Dec. 84.70 asked, March 85.70.

§Flaxseed—May 329.00 (329.50), July 325.20 asked (326.50 asked), Oct. 316.00 asked, Nov. 312.50 asked, Dec. 304.40 asked.

‡Wheat—May 345¾ (347), July 336½-336 (333¾), Sept. 339, Dec. 350½, March

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. ¶§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Apr. 25	Apr. 24	M'nth ago	Year ago
275.13	273.39	275.09	239.05

(Base: July 1, 1952=100)

MOODY'S

Apr. 25	Apr. 24	M'nth ago	Year ago
1046.9	1047.3	1046.8	898.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Apr. 25	Apr. 24	Month ago	Year ago
Spot	387.04	386.70	379.59	360.16
F'tur's	388.24	388.67	388.46	349.58

(Average 1924-25-26=100)

REUTERS

Apr. 25	Apr. 24	M'nth ago	Year ago
1555.4	1550.9	1572.1	1457.1

(Base: September 18, 1931=100)

EUROPEAN MARKETS

ROTTERDAM, April 26.

U.S. No. 2 Dark Hard Winter wheat, 13.5 per cent, unquoted. U.S. Hard Winter wheat ordinary April-May $156, June $155, July $153, Aug. $153, Sept. $155. U.S. No. 2 Red Winter wheat June $151, July $149, Aug. $150, Sept. $151. U.S. No. 2 Northern Spring wheat, 14 per cent, April/mid-May $158, May $155.25, June $154.25, July $152, Aug. $152, Sept. $153, Oct. $155.50, Nov. $157.

Maize—U.S. No. 3 Corn Yellow afloat $128.50, April $128.50, May $128.50, June $129, July-Sept. $129, Oct.-Dec. $129.75, Jan.-March $134.

Rye—U.S. No. 2/Canadian Western both unquoted.

Oats—All unquoted.

Sorghum—Argentine/U.S. spot $120, April $118, May $111, June $112.

Barley—1/2 Canadian feed April $115, May $115.

Soyabeans—U.S. 2, Yellow Gulf Ports afloat $297, April $297.50, May $300, June $302.50, July $303.25, Aug. $302.75, Sept. $302.50, Oct. $284.75, Nov. $283.50, Dec. $287.50, Jan. $290.75, Feb. $295.45, March $297, April $299.25, May $300. Brazil Yellow faq unquoted. Argentine June-July $289.50 sellers.

Soyameal—44 per cent protein U.S. afloat $237.50, April-May-June $237, May-Sept. $238, Nov.-March $239. Brazil pellets afloat $239, April-May $238.50, May-Sept. $242, Nov.-March $245.

PARIS, April 26.

Sugar (FFr per 100 kilos)—July 885-888, Aug. 903-909, Oct. 950-960, Nov. 950-960, Dec. 995-1,005, March 1,030-1,040, May 1,045-1,060, July 1,055-1,060. Sales at call nil.

Equity markets falter after breaking new high ground and index closes 5.8 down at 546.9—Gilts subdued

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 9	Apr. 19	Apr. 20	May 7
Apr. 23	May 3	May 4	May 15
May 8	May 17	May 18	May 30

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A Promising start in equity markets reflected confident anticipation early yesterday that the past two-day upsurge, which has taken equities into record high ground, would continue. But investors decided not to follow the movement and this left the market vulnerable to professional offering and small public profit-taking.

The initial flurry in leading shares took the FT 30-share index up a further 3.6 by 10 am. but sellers were in command thereafter and the index drifted back to close at its lowest of the day, showing a fall of 5.8 at 546.9. The eagerly awaited results from Vickers, 3 cheaper at *204p, after 200p, were in line* with most expectations.

Secondary issues tended to follow in the wake of the leaders with the result that most of the day's firm features arose from companies announcing trading statements. Much of the day's business appeared to be completed by around lunch-time, although official bargains at 6,192 were the highest so far this week.

Investment in Government securities appeared to be dampened by the course of sterling, although the exchange rate eventually recovered well from yesterday's early low levels. Short-dated funds made small progress initially but tended to surrender the gains when the mediums and longs began to drift a shade easier. The Variable coupon stocks were *the exceptions following revived* demand for the 1983 issue; the Government broker last week wtihdrew his selling price of 94½ for this stock and is awaiting higher bids.

Although the basic trend was still higher, the market in investment currency became more volatile and rates fluctuated between 59½ and 64 per cent before a close of 62½ per cent, a further rise of 2½ points on the overnight premium. Institutional demand again provided the bulk of the day's business. Yesterday's SE conversion factor was 0.7854 (0.7930).

Increased demand for Traded options saw the total number of contracts recorded rise to 2,394, the highest for almost a month. *Cons. Gold Fields* attracted most business with 417 deals, while **RTZ**, 344, and **Marks and Spencer**, 300, were also wanted.

HK and Shanghai firm

Home banks turned reactionary on sporadic profit-taking. **Barclays** rose to 500p before closing 3 cheaper at 492p, while **Lloyds** softened 5 to 340p. **Hong Kong and Shanghai** firmed 8 to 164p among overseas issues owing to a combination of domestic and investment currency influences. Annual results from **Gerrard and National** were deemed satisfactory and the close was 2 better at 232p, but further consideration of the lower earnings prompted a 2 reaction to 102p in **Smith St. Aubyn**. **Hill** *Samuel Warrants* continued firmly, rising 8 more to 318p, after 325p, in a thin market, while improvements of 3 and 4 respectively were recorded in **Hambros**, 278p, and **Kleinwort, Benson**, 136p. **Keyser Ullmann** shaded 3 to 78p and **Antony Gibbs** eased a penny to 50p: the the latter's preliminary figures are due today. Hire Purchases gave ground with **Lloyds and** *Scottish settling 2 off at 134p and* **Provident Financial** 3 lower at 106p.

Insurances displayed no set trend after a moderate trade. **Royals** dipped 7 to 428p but **Hambro Life** gained 10 to 640p in a thin market.

Demand for Breweries fell away in the later business and left most issues at the day's lowest levels. **Guinness** slipped 3 to 209p, after 213p, while **Whitbread** gave up a like amount at 140p. Annual profits from **Border Breweries (Wrexham)** proved to be better than *expectations and the shares added* 4 at 94p, while recently firm **Gibbs Mew** attracted renewed interest and rose 6 further to 170p. **Tomatin** put on 7 at 181p awaiting today's annual meeting but other Distillery concerns were easier.

Building descriptions retreated after opening firmly as buying interest faded. **BPB** slipped 4 to 332p and **London Brick** shed 2 to 72p, while **Chelfield Brick** cheapened 4 more to 62p for a two-day loss of 14 on the lower profits. Awaiting today's annual results, **Tarmac** eased 3 to 193p. Contracting and Construction issues presented a mixed picture. **Brown and Jackson** featured with a fresh rise of 40 to 640p in continued response to the capital proposals and acquisitions, but slightly disappointing full-year *profits left* **John Mowlem** *3 off* at 125p. On the other hand, recent favourite **SGB** improved 4 more to 275p and **Costain** were 5 up at 212p. The reduced annual earnings clipped a penny off **Newarthill**, at 210p.

ICI moved up to 414p in the early trade but subsequently encountered a steady stream of sellers and finished 7 down on balance at 403p. Among other Chemicals, occasional interest in the absence of sellers prompted a gain of 9 to 78p in **Catalin**.

A shade harder at the outset, leading Stores later succumbed to profit-taking and closed easier for choice. **Marks and Spencer**, ahead of the preliminary statement due on May 8, closed 3 cheaper at 126p, after 131p. Elsewhere, the withdrawal of recent *investment support* clipped 22 from **Bambers** at 273p, while **Home Charm**, at 367p, gave up 6 of the previous day's rise of 21 which greeted the good figures and proposed five-for-two scrip issue; **A. G. Stanley** eased 4 to 228p in sympathy. Still drawing strength from the favourable results, **John Menzies** gained 7 to 240p, while **Elys (Wimbledon)** advanced 6 to 225p on revived speculative buying in a thin market.

Resisting the easier trend apparent in other Electrical leaders, **Thorn** rose 4 to 478p in response to Press comment. **Racal Electronics** fell 7 to 483p and **EMI** cheapened 3 to 133p.

Down to 200p initially, **Vickers** picked up to close only 3 cheaper on balance at 204p following annual results in line with market expectations. Elsewhere in Engineerings, **John Brown** touched 580p in the early dealings before reacting to close 8 cheaper on balance at 569p, while **GKN** finished a similar amount lower at 293p. **Richardsons Westgarth**, down 7 more at 36p, continued to reflect the reduced dividend and annual loss, but Press comment on the results prompted a further improvement of 4 to 332p in **Simon Engineering**. **Hall Engineering** encountered fresh demand at 150p, up 6, and **Baker Perkins** improved further to *159p before settling at* 156p for a net rise of 5. Gains of 5 were also recorded in **Babcock and Wilcox**, 193p, **B. Elliott**, 240p, and **Williams and James**, 217p, but disappointment with the preliminary statement prompted a reaction of 8 to 136p in **Amalgamated Power**.

Higher at first, Foods eventually gave ground on a lack of follow-through support and closed lower on balance. **United Biscuit** slipped 4 to 86p and **J. Bibby** 5 to 405p. **RHM** cheapened ½ to 48½p, and **AB Foods** 2 to 77p on the Price Commission decision to freeze bread prices pending an investigation. Second-thoughts about the annual results and the chairman's bid denial left **Spillers** 2½ *cheaper at 45p*.

Hoover disappoints

The miscellaneous Industrial leaders suffered a technical reaction and closed with a majority of falls. **Pilkington** led the retreat at 283p, down 12, while **Beecham** gave up 8 to 722p, after 735p, and **Glaxo** receded 5 to 517p, after 526p. **Boots** cheapened 4 to 230p but **Reed International** edged forward 2 more to 194p on further consideration of the strong first-quarter profits recovery achieved by its Canadian subsidiary Reed Paper. Elsewhere, **Hoover A** became a notable casualty, falling to a 1979 low of 155p on the shock disclosure of the first-quarter loss, before rallying to finish a net 10 down at 170p. *E. Fogarty, still drawing strength from the good results*, rose 16 to 270p. Speculative buying fuelled by talk of an imminent bid, possibly from Union Corporation, helped **Cape Industries** advance 6 to 192p, after 196p. **Gibbons Dudley** added 5 more to 94p, sentiment still buoyed by the chairman's encouraging review. A sharp increase in annual profits helped **Brook Street Bureau** put on 2 to 69p, after 72p. **Office and Electronic** gained 9 to 166p and **Carlton Industries** appreciated 8 to 275p.

Renewed speculative demand *lifted* **Pleasurama** *8 to 165p* but profit-taking lowered **Saga** 5 to 186p. Elsewhere the chairman's optimistic view left **Horizon Midlands** 3 to the good at 257p. In Televisions, recently firm **Anglia A** reacted 3 to 139p, but **Ulster A** added that much at 95p and **LWT A** improved 2 to 171p.

Having enjoyed a good run before the event, **Harold Perry** fell 7 to 172p as long positions were unwound after annual results which matched market expectations. Elsewhere among Distributors, **T. C. Harrison** eased 2 to 145p as profit-taking ensued after Wednesday's excellent figures, but **Hartwells**, 143p, and **Lookers**, 70p, held early gains of 3 and 2 respectively. **York Trailer** eased 2 to 46p ahead of the full-year figures which are due today. In Components, **Flight Refuelling** reacted 6 to end at 260p *following the preliminary statement*, while **Lucas**, 296p, and **Dowty**, 328p eased 7 apiece in the absence of fresh support.

Among Printing issues, **Cradley** spurted 5 to 27p on the increased profits and optimistic statement.

Selected secondary issues provided the focal points in Properties. Responding to higher annual profits and the proposed 100 per cent scrip issue, **Chesterfield** added 10 at 460p, while **Imry** advanced 28 to 660p in a thin market. Renewed interest lifted **London and Provincial Shop** 16 to 244p. **Bernard Sunley** progressed 3 further to 353p on revived bid hopes and **Property Holding and Investment** rose 5 to 395p, *after 400p*. Awaiting today's annual results, **Hammerson A** moved up 8 to 850p. The leaders, after an initial mark-up, subsequently drifted back to close with marginal losses on balance.

BP steady

British Petroleum passed a quieter session and traded between narrow limits before closing a net 2 lower at 1,222p, but **Shell**, also a particularly good market of late, reacted 10 to 778p. Other Oil issues encountered small scrappy selling and **Burmah** gave up 4 to 120p, as did **Oil Exploration**, 258p, and **Ultramar**, 310p. *Awaiting today's first-quarter figures*, **Tricentrol** eased 6 to 222p, while the lower annual profits left *Clyde that much cheaper at 154p*. Elsewhere, increased speculative activity was seen in **Reynolds**, which gained ½ to 3½p.

Trusts adopted a mixed appearance. **Jersey General** improved 8 to 254p, but **New Throgmorton** issues came under pressure, the **Capital** easing 6 to 218p and the **Warrants** 5 to 80p. In Financials, **Akroyd and Smithers** rose 8 to 220p, but **London and European** lost 3 of the previous day's rise of 5 which followed the annual results.

Investment premium influences coupled with Far *Eastern buying took Plantations* higher.

RTZ active

Most of the interest in mining markets was again centred around the UK Financials which tended to follow the line taken by the equity market. Prices *opened a shade firmer then fell* away before hardening a fraction at the close.

Rio Tinto-Zinc, which figured prominently in our list of active stocks, fell to 334p prior to closing 8 cheaper on balance at 336p, while **Gold Fields** lost 7 to 245p, after 244p. **Charter Consolidated** held up well to end a penny off at 171p, while end a penny off a 171p, while **Selection Trust** eased 2 to 564p.

The continued strength of the investment currency premium prompted good gains in South African Golds although buying *interest in the share market* continued at modest levels. The Gold Mines index rose 3.6 to 155.2 *for a four-day advance of* 13.6, while the ex-premium index put on 1.7 to 121.9.

South African *Financials* edged higher in quiet trading. **De Beers** were 3 firmer at 391p in front of the annual report and chairman's statement published today.

In Coppers, further consideration of the interim dividend saw **Palabora** put *on 10p to 560p*.

Persistent rumours that Impala and Rustenburg may lift their producers prices encouraged further interest in Platinums. **Rustenburg** added 5 more at 135p while **Impala** were a similar amount harder at 196p and **Lydenburg** 2 up at 92p.

A steady trend in overnight Sydney and Melbourne markets after the ANZAC Day holiday coupled with the firmer premium *prompted widespread* improvements in Australians.

Of the base metal producers **MIM Holdings** were 7 higher at *220p, and* **Conzinc Riotinto** put on 11 to 238p.

FINANCIAL TIMES STOCK INDICES

	April 26	April 25	April 24	April 23	April 20	April 19	A year ago
Government Secs.	74.80	74.86	75.04	74.70	74.65	74.54	71.22
Fixed Interest	76.82	76.75	77.00	76.76	76.85	76.72	74.33
Industrial	546.9	552.7	547.0	536.0	533.7	530.2	467.8
Gold Mines	155.2	151.6	147.2	141.6	140.1	140.9	145.2
Gold Mines (Ex-$ pm)	121.9	120.2	117.9	114.7	114.5	116.2	99.0
Ord. Div. Yield	5.31	5.26	5.31	5.42	5.40	5.46	5.75
Earnings Yld. % (full)	14.24	14.09	14.23	14.51	14.47	14.60	17.10
P/E Ratio (net) (*)	9.00	9.09	9.01	8.83	8.85	8.81	7.86
Dealings marked	6,192	5,620	5,632	5,045	4,182	4,341	4,727
Equity turnover £m.	—	124.07	126.04	104.86	115.03	103.24	82.58
Equity bargains total	—	20,881	20,352	18,276	11,784	15,282	16,415

10 am 556.3. 11 am 553.4. Noon 550.1. 1 pm 548.3. 2 pm 547.8. 3 pm 548.0.
Latest Index 01-246 8026.
*Nil = 8.73.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex. $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.84 (12/4)	64.64 (4/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.34 (17/4)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	552.7 (25/4)	446.1 (12/2)	552.7 (25/4/79)	49.4 (26/6/40)
Gold Mines	183.8 (6/2)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines $ Ex-pm	125.6 (25/5)	95.2 (12/1)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	April 26	April 25
—Daily		
Gilt Edged	104.6	92.8
Industrials	241.8	214.7
Speculative	38.6	45.6
Totals	140.9	127.9
5-d'y Av'r'ge		
Gilt Edged	93.5	92.2
Industrials	204.0	187.8
Speculative	39.6	39.7
Totals	131.4	113.0

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 18	Apr. 30	Jul. 12	Jul. 24
May 1	May 14	Jul. 26	Aug. 7
May 15	May 29	Aug. 9	Aug. 21

For rate indications see end of Share Information Service

Money was given for the call of Sime Darby, Premier Oil, Tesco, Lasmo, M. F. North, Charterhall, eWstland Aircraft, Barker and Dobson, Spillers, P & O, Capper Neil, Maple, Alpine Holdings, Lonrho, St. Piran, Change Wares, GEC, Town and City, Renwick, BOC and Cadbury Schweppes. Puts were done in Ladbroke and GUS A, while doubles were arranged in Tesco and Premier Oil.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	4	40	39
Corpns. Dom. and Foreign Bonds	11	6	47
Industrials	328	309	788
Financial and Prop.	172	109	232
Oils	7	15	18
Plantation	8	4	19
Mines	88	14	38
Others	67	7	41
Totals	714	496	1,200

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1150	166	3	186	—			1222p
BP	1200	130	3	156	—	196	—	"
BP	1300	52	61	100	—	140	—	"
Com. Union	140	49	15	52	—	—	—	180p
Com. Union	160	31	4	35	—	39	7	"
Com. Union	180	16	71	21	—	24	—	"
Cons. Gold	200	52	26	59	—	—	—	244p
Cons. Gold	220	32	7	46	5	57	—	"
Cons. Gold	240	21	130	30	—	42	2	"
Cons. Gold	260	11	245	19	—	27	—	"
Courtaulds	100	17	10	19	1	22	—	111p
Courtaulds	110	9½	10	14	10	17	—	"
Courtaulds	120	6½	19	8½	1	—	—	"
Courtaulds	130	3	11	—	—	—	—	"
GEC	360	93	5	108	—	—	—	428p
GEC	390	64	17	80	—	97	—	"
GEC	420	44	35	64	—	82	—	"
GEC	460	23	107	37	1	55	—	"
Grand Met.	130	51½	2	53½	1	—	—	175p
Grand Met.	140	41½	10	44	—	—	—	"
Grand Met.	160	26½	44	31½	3	35	—	"
Grand Met.	180	15½	116	20	11	25	—	"
ICI	330	87	18	97	—	—	—	404p
ICI	390	37	—	49	5	58	—	"
ICI	420	17	21	30	—	42	—	"
Land Secs	260	62	12	71		—	—	306p
Land Secs	280	45	15	55	2	66	—	"
Land Secs	300	31	51	43	2	56	—	"
Land Secs	330	16	123	27	55	42	—	"
Marks & Sp.	80	53	1	56	—	—	—	126p
Marks & Sp.	110	27	29	30	53	38	—	"
Marks & Sp.	120	18	21	24	14	31	—	"
Marks & Sp.	130	14	160	19	3	25	—	"
Shell	700	120	11	148	—	170	—	779p
Shell	750	84	51	106	10	142	9	"
Shell	800	51	43	72	—	113	5	"
Totals			1,507		177		21	
		May		**August**		**November**		
BOC Intl.	70	7½	5	12	—	16½	—	75p
BOC Intl.	80	3½	—	7	30	9	—	"
Boots	220	18	18	27	7	36	—	231p
Boots	240	7	24	16	—	24	—	"
Boots	260	3½	14	—	—	—	—	"
EMI	120	16	39	25	—	34	—	134p
EMI	130	10½	55	21	—	29	—	"
EMI	140	7	3	15	—	23	—	"
EMI	160	2	30	7	2	—	—	"
Imperial GP	100	11	35	15	5	16	—	106p
Imperial GP	110	6½	76	11	22	12	1	"
RTZ	240	98	2	107	1	—	—	336p
RTZ	260	78	4	90	—	—	—	"
RTZ	280	58	32	77	25	100	—	"
RTZ	300	38	47	63	5	88	—	"
RTZ	330	19	68	42	4	63	—	"
RTZ	360	6	98	29	45	46	18	"
Totals			524		146		19	

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
GEC	25p	18	430	−2	433	331
ICI	£1	18	403	−7	410	346
Shell Transport	25p	15	778	−10	788	556
RTZ	25p	14	336	−8	344	226
Barclays Bank	£1	12	492	−3	500	360
BP	£1	12	1222	−2	1225	852
Lloyds Bank	£1	11	340	−5	358	272
BATs Defd.	25p	10	300	−3	337	250
GKN	£1	10	293	−8	301	226
Rank Org.	25p	10	280	−2	300	236
Allied Breweries	25p	9	99	−1½	102	80
BTR	25p	9	497	+2	500	329
European Ferries	25p	9	172½	+1	175	121
Grand Met.	50p	9	173	−2	175	112
Spillers	25p	9	45	−2½	49½	30½

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (256)

BRITISH FUNDS (1)
CORPORATION LOANS (1)
FOREIGN BONDS (1)
AMERICANS (1)
CANADIANS (1)
BANKS (4)
BEERS (12)
BUILDINGS (12)
CHEMICALS (3)
DRAPERY & STORES (10)
ELECTRICALS (8)
ENGINEERING (17)
FOODS (1)
HOTELS (2)
INDUSTRIALS (47)
INSURANCE (3)
LEISURE (6)
MOTORS (8)
NEWSPAPERS (2)
PAPER & PRINTING (4)
PROPERTY (17)
SHIPPING (3)
TEXTILES (1)
TRUSTS (81)
OILS (2)
RUBBERS (3)
MINES (3)

NEW LOWS (7)

BUILDINGS (2)
Brownlee Rowlinson
ELECTRICALS (2)
BIR Lec Refrigeration
ENGINEERING (2)
Hallite Wichardsons West'gth
INDUSTRIALS (1)
Hoover

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
195	F.P.	—	194	150	‡‡Appl. Computer	180	+5	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	—	27½	18½	‡Bank Bridge 10p	[illegible]		[illegible]			
65	F.P.	20.2	181	69	Caledonian Hldgs.	181		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	16/3	170	118	Hunting Assoc. Defd.	170		[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price	+ or −
99¾	F.P.	—	99¾	99¼	Cleveland (County of) Var. Rate 1984	99½	
‡			53½	53½	Eng. Assoc. Sterling Fd. Part. Red. Prf.	53½	
100	F.P.	[illegible]	1pm	[illegible]	Grant James 10½% Pref.	[illegible]	
[illegible]	Nil	[illegible]	1pm	1pm	How'rd Wyndh'm 9% Cnv. Cum. Red. Prf.	1pm	
99	[illegible]	[illegible]	86	[illegible]	IDFC 12¾% Uns Ln 1992	[illegible]	
98	F.P. 27/7	[illegible]	102	99	Lee Valley Water 8% Red. Prf. 1986	102	
[illegible]	[illegible]	[illegible]	106	105	Lyles (S.) 11% Cum. Pref.	106	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	MEPC 6½% Conv. Uns. Ln. 1995-2000	[illegible]	
[illegible]	Nil	[illegible]	8pm	1pm	Slough Ests. 8% Cnv. 1991-94	8pm	
[illegible]	F.P.	[illegible]	106	104	Tricoville 10½% Pref.	104	−2

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
200	Nil	—	10pm	4pm	Abercom Invs.	9pm	+1
12	F.P.	27.4 18/5	20½	18½	Armour Trust	20	
185	Nil	—	47pm	27pm	Beatson Clark	47pm	+7
116	F.P.	30.3 20/4	160	147	Brammer (H.)	159	
66	F.P.	—	67	60	[illegible]	63	
85	Nil	—	12pm	5pm	Davis & Metcalfe 'A'	6pm	
33	F.P.	22.3 4.5	48½	38	Hirst & Mallinson	40	
185	F.P.	23.3 1.6	350	210	Johnson Matthey	335	
5p	Nil	—	9pm	7pm	Maddock	8pm	
34	F.P.	24.4 18/5	58pm	49pm	Norfolk Cap. Hotels	55	+1
56	F.P.	19.4 31/5	74pm	69pm	Park Place Invs.	74pm	+5
20	F.P.	27.4 15/6	24	21	Single Holdings	23	
100	F.P.	27.4 18/5	122	115	Unicorn Inds.	122	+3

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., April 26, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Wed., April 25 Index No.	Tues., April 24 Index No.	Mon., April 23 Index No.	Fri., April 20 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	280.19	−0.3	14.98	4.93	8.92	281.10	277.70	272.93	272.24	204.58
2	Building Materials (27)	261.38	−1.0	15.16	5.32	8.77	264.05	259.98	254.41	251.93	182.40
3	Contracting, Construction (28)	433.67	+0.6	18.37	4.76	7.57	431.11	426.69	419.78	415.64	328.90
4	Electricals (14)	675.66	−0.6	11.55	2.83	11.85	679.48	672.71	665.32	665.92	433.44
5	Engineering Contractors (12)	422.06	+0.8	16.72	5.41	8.04	418.56	415.87	403.36	408.75	296.74
6	Mechanical Engineering (75)	207.32	—	16.52	5.56	7.95	207.40	204.84	201.58	202.09	163.76
8	Metals and Metal Forming (16)	188.35	−0.5	16.16	8.25	7.99	189.32	186.57	181.98	182.19	164.41
	CONSUMER GOODS										
11	(DURABLE) (53)	253.15	−0.3	13.85	4.30	9.60	253.86	251.80	248.66	247.51	188.62
12	Lt. Electronics, Radio, TV (16)	344.65	−0.1	11.00	3.07	12.86	345.14	342.70	338.06	335.00	220.37
13	Household Goods (12)	176.40	−0.2	14.56	6.76	9.27	176.71	176.13	175.77	175.98	169.90
14	Motors and Distributors (25)	130.17	−0.6	19.91	6.44	6.22	130.94	129.45	127.84	127.67	120.64
	CONSUMER GOODS										
21	(NON-DURABLE) (170)	262.50	−0.9	13.62	5.02	9.53	264.82	262.56	257.39	257.15	198.69
22	Breweries (14)	295.92	−1.1	12.89	5.08	9.83	299.16	297.00	290.59	288.63	227.78
23	Wines and Spirits (6)	339.03	+0.1	13.81	4.41	10.57	338.53	335.19	329.03	329.70	256.25
24	Entertainment, Catering (17)	366.96	−1.0	12.86	5.22	10.35	370.84	366.84	358.00	358.77	253.92
25	Food Manufacturing (19)	231.93	−0.9	16.74	4.90	7.66	233.98	230.22	224.66	223.82	189.04
26	Food Retailing (15)	315.64	−1.3	10.21	3.74	13.31	319.86	315.86	308.11	305.86	190.52
32	Newspapers, Publishing (12)	480.17	−0.4	19.36	5.34	7.32	482.82	476.09	468.13	470.79	363.89
33	Packaging and Paper (15)	152.15	+0.4	16.86	7.17	7.66	151.61	150.09	148.35	148.13	131.30
34	Stores (40)	264.92	−1.0	9.56	3.66	14.54	267.56	267.26	262.46	263.60	183.43
35	Textiles (23)	185.16	−0.5	17.61	8.21	7.34	186.08	183.52	180.34	179.76	176.97
36	Tobaccos (3)	276.13	−1.2	20.62	7.45	5.57	279.59	275.94	271.60	269.62	239.95
37	Toys and Games (6)	89.32	−0.7	24.93	7.41	4.73	89.99	91.04	88.96	94.30	95.54
41	OTHER GROUPS (99)	228.52	−0.7	13.85	5.62	8.97	230.10	227.73	224.34	223.85	185.66
42	Chemicals (18)	318.85	−1.1	15.72	6.17	7.46	322.32	319.47	315.32	315.05	252.36
43	Pharmaceutical Products (7)	271.16	−1.0	9.96	4.37	12.35	273.97	269.54	264.22	263.93	246.13
44	Office Equipment (6)	147.85	−0.6	13.72	5.55	9.19	148.72	147.66	145.17	145.16	127.41
45	Shipping (10)	464.92	+0.2	9.01	6.55	15.94	464.14	459.13	453.91	452.61	429.77
46	Miscellaneous (58)	261.14	−0.3	15.14	5.66	8.58	261.93	259.60	255.93	254.81	196.46
49	INDUSTRIAL GROUP (494)	265.98	−0.6	14.83	5.08	9.24	267.71	265.09	260.48	259.98	202.80
51	Oils (6)	689.15	−0.7	11.46	3.16	9.27	694.31	689.83	677.39	671.69	469.37
59	500 SHARE INDEX	300.49	−0.7	13.60	4.76	9.25	302.50	299.70	294.46	293.57	224.94
61	FINANCIAL GROUP (115)	213.84	−0.6	—	4.84	—	215.12	212.39	208.45	207.16	168.32
62	Banks (6)	256.19	−1.0	25.99	4.72	4.96	258.72	251.40	245.44	244.46	191.00
63	Discount Houses (10)	262.02	+0.1	—	7.10	—	261.77	262.23	260.96	263.05	197.08
64	Hire Purchase (5)	196.28	−2.3	16.34	4.50	7.86	200.94	200.18	199.94	193.03	141.94
65	Insurance (Life) (10)	176.33	+0.2	—	6.02	—	175.92	175.63	172.76	172.47	131.24
66	Insurance (Composite) (8)	152.41	−0.9	—	6.19	—	153.81	152.70	151.45	150.75	125.01
67	Insurance Brokers (10)	332.54	−0.7	14.92	5.77	9.64	334.85	329.27	321.66	320.51	329.69
68	Merchant Banks (14)	101.42	−0.4	—	5.15	—	101.82	101.46	99.09	98.22	76.64
69	Property (42)	359.55	−0.2	3.13	2.25	49.13	360.30	357.48	350.30	348.38	212.28
70	Miscellaneous (10)	130.38	+0.2	17.29	6.37	7.20	130.11	127.28	125.19	126.21	105.29
71	Investment Trusts (111)	248.31	+0.3	—	4.43	—	247.67	244.64	241.18	238.48	202.45
81	Mining Finance (4)	142.05	−2.0	14.12	5.54	8.47	144.96	140.45	137.65	136.63	92.32
91	Overseas Traders (20)	367.70	−1.0	13.66	6.87	9.31	371.34	369.30	364.39	363.14	305.79
99	ALL-SHARE INDEX (750)	276.63	−0.6	—	4.81	—	278.39	275.46	270.70	269.58	207.90

FIXED INTEREST PRICE INDICES

	British Government	Thurs., April 26	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	107.56	+0.01	—	3.01
2	5-15 years	122.06	−0.08	—	2.90
3	Over 15 years	127.75	−0.12	—	4.95
4	Irredeemables	136.48	—	4.30	6.08
5	All stocks	118.15	+0.00	0.07	3.73

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Thurs., April 26	Wed., April 25	Year ago (approx.)
1	Low Coupons	5 years	9.34	9.33	8.47
2		15 years	10.23	10.21	10.85
3		25 years	10.81	10.79	11.36
4	Medium Coupons	5 years	10.91	10.90	10.65
5		15 years	11.53	11.51	12.13
6		25 years	11.69	11.66	12.38
7	High Coupons	5 years	11.26	11.25	11.02
8		15 years	11.91	11.89	12.68
9		25 years	11.96	11.96	12.96
10	Irredeemables		10.61	10.35	11.05

		Thurs., April 26 Index No.	Thurs., April 26 Yield %	Wed., April 25	Tues., April 24	Mon., April 23	Fri., April 20	Thurs., April 19	Wed., April 18	Tues., April 17	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	61.31	†12.11	60.75	60.75	60.70	60.66	60.61	60.60	60.66	58.84
16	Investment Trust Prefs. (15)	52.81	13.28	53.07	52.95	52.93	52.93	52.83	52.65	52.65	54.30
17	Coml. and Indl. Prefs. (20)	75.17	12.41	76.36	76.51	76.03	75.80	76.78	76.78	76.78	75.88

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

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Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs

Allied Hambro Group (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd.

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Canada Life Unit Trust Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd. (a)(c)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a)(g)

Confederation Mgt. Ltd. (a)

Cosmopolitan Fund Managers

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

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Equity & Law Un. Tr. M.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

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G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(c)(g)

Hill Samuel Unit Tst. Mgrs. (a)

Investment Intelligence Ltd. (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L. & C. Unit Trust Management Ltd.

Lawson Secs. Ltd. (a)(c)

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd. (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National and Commercial

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd. (a) (z)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd. (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a) (g)

Target Tst. Mgrs. (Scotland) (a) (b)

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd.

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

INSURANCE AND PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assur. Co. Ltd.

City of Westminster Assur. Soc. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Gartmore Bonds

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd

London Life Linked Assur. Ltd.

London A'deen & Nthn. Mtl. Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Solar Life Assurance Limited

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Australian Selection Fund NV

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn Int. (Ch. Is.) Ltd.

Barclays Unicorn Int. (I.o.Man)

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros (Guernsey) Ltd./ Hambro Fund Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest Mgmt. Intnl

N.V. Interbeheer

International Pacific Inv. Mgmt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Keyser Ullmann Ltd

King & Shaxson Mngrs.

Kleinwort Benson Limited

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank International Geneva

M & G Group

Samuel Montagu Ldn. Agents

Murray, Johnstone (Inv. Adviser)

Nat. Westminster Jersey Fd. Mgrs. Ltd.

Negit S.A.

Negit Ltd

Pacific Basin Fund

Phoenix International

Quest Fund Mngmnt. (Jersey) Ltd.

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

Rothschild Asset Mgt. (Bermuda)

Royal Trust (C.I.) Fd. Mgt. Ltd.

Save & Prosper International

Schlesinger International Mngt. Ltd.

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Sentry Assurance International Ltd.

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Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Group

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Union-Investment-Gesellschaft mbH

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Victory House, Douglas, Isle of Man

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

World Wide Growth Management

Wren Commodity Trust

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Net of tax on realised capital gains unless indicated by ♦. ‡ Guernsey gross. † Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1979 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97½	94⅝	Treasury 3pc '79‡‡	97⅞	.....	3.08	9.90
97⅞	95⅛	Electric 4¼pc '74-79	97⅞	.....	4.34	9.47
100¼	54⅝	Treasury 10½pc '79‡‡	100xd	.....	10.50	10.43
96⅞	94½	Electric 3½pc '76-79	96¼xd	.....	3.62	9.68
99½	95⅞	Treasury 9pc 1980‡‡	99⅛	−⅛	9.09	10.08
99⅛	95[illegible]	Treasury 9½pc '80‡‡	99[illegible]xd	−[illegible]	9.59	10.46
95¾	92¼	Treasury 3½pc '77-80	95⅛	.....	3.67	7.83
96	92⅞	Funding 5¼pc '78-80‡‡	95¾	.....	5.48	9.26
103½	99[illegible]	Exchequer 13pc 1980‡‡	103⅛xd	.....	12.61	10.80
102½	96[illegible]	Treasury 11½pc 1981‡‡	101[illegible]	.....	11.38	10.76
93½	88⅞	Treasury 3½pc 1979-81	93½	.....	3.74	7.40
99[illegible]	92[illegible]	Treasury 9¾pc 1981‡‡	98[illegible]	.....	9.87	10.41
96[illegible]	89½	Exch. 8¼pc 1981	95[illegible]	.....	8.61	10.48
98[illegible]	91¼	Exch. 9½pc 1981	97[illegible]	.....	9.71	10.60
91¼	84¼	Exch. 3pc 1981	90½	.....	3.31	7.54
98⅛	96	Treas. Variable '81‡‡	98⅛xd	+⅛	12.21	12.83
104½	97[illegible]	Exch. 12¾pc 1981‡‡	103[illegible]xd	.....	12.27	10.95
96⅞	88	Treas. 8½pc '80-82‡‡	95⅝	.....	8.89	10.36
89½	82	Treasury 3pc '82‡‡	88⅝	.....	3.39	7.56
108⅞	100⅜	Treasury 14pc '82‡‡	107[illegible]	+[illegible]	13.08	11.04
96[illegible]	94⅛	Treas. Variable '82‡‡	96[illegible]	+[illegible]	12.37	13.28
95¼	85⅝	Treasury 8¼pc '82	94⅛	.....	8.74	10.36
97¼	86[illegible]	Exch. 9¼pc 1982	96[illegible]	.....	9.63	10.63
95¾	84⅝	Exch. 8¾pc 1983	94[illegible]	.....	9.22	10.44
86[illegible]	78¼	Exch. 3pc '83	85½	.....	3.51	7.42
104[illegible]	93[illegible]	Treasury 12pc 1983‡‡	103[illegible]	−[illegible]	11.61	10.90

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
23	22	Antofagasta Rly.	22	.....	—	—
40	39	Do. 5pc Pref.	40	.....	—	—
98	98	Chilean Mixed	98	.....	—	f3.10

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 38¼% (based on US$2.0465 per £)

Conversion factor 0.7854 (0.7930)

CANADIANS

S.E. List Premium 38¼% (based on $2.3418 per £)

BANKS AND HIRE PURCHASE

1979 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
270	237	Gillett Bros. £1	268	+2	16.95	—	9.4	—
29	19	Goode D't Mry. 5p	28	+½	0.25	—	1.3	—
146	116	Grindlays	144	+1	3.07	7.5	3.2	4.5
120	98	Guinness Peat	110	−2	H5.67	—	7.7	—
278	173	Hambros	278	+3	†9.76	—	5.2	—
114	78	Hill Samuel	111	−1	†4.97	—	6.7	—
318	40	Do. Warrants	318	+8	—	—	—	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

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هكذا من الأصل

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PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

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EASTERN RAND

FAR WEST RAND

O.F.S.

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DIAMOND AND PLATINUM

CENTRAL AFRICAN

MINES—Continued

AUSTRALIAN

TINS

COPPER

111	56	Messina R0.50	108	.....	—	—	—

MISCELLANEOUS

74	54	Barymin	62	......	—	—	—
13½	10	Burma Mines 17½p	10	......	—	—	—
345	170	Cons. Murch. 10c.	270	+10	—	—	—
410	340	Northgate C$1	390	+20	—	—	—
344	226	R.T.Z.	336	−8	11.5	q2.6	5.2
65	40	Sabina Inds. C$1	40	−4	—	—	—
880	687	Tara Expln. $1	750	−25	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

$13¾	$10½	Buffels R1	$12⅝	+⅛	Q190c	◆	17.0
$11¾	890c	East Drie R1	$10½	......	Q115c	1.6	12.6
470c	350c	East Rand Prp. R1	440c	+25	Q10c	—	2.7
$24¾	$18¾	F.S. Geduld 50c	$23⅝	......	†Q315c	2.4	15.6
$14¾	$11⅛	Pres. Brand 50c	$14¾	......	†Q150c	3.2	11.9
$14¼	$10¾	St. Helena R1	$12⅝	......	Q190c	1.4	17.3
595c	407c	Stilfontein 50c	565c	......	Q66c	◆	13.4
$24¾	$18¾	Vaal Reefs 50c	$23⅝	......	Q280c	2.7	13.6
$35¾	$28¾	West Drie R1	$33½	+1	†Q385c	1.7	13.2
$30⅞	$22¾	West Hldgs. 50c	$30⅞	+⅛	†Q415c	1.4	15.7
$13	$10⅛	Western Deep R2	$11½	......	Q147½c	2.1	14.7

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✤ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

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FINANCIAL TIMES

Friday April 27 1979

Human Rights Court supports Sunday Times

Thalidomide injunction 'a violation'

BY MARGARET VAN HATTEM

THE European Court of Human Rights ruled yesterday that the 1972 UK Government injunction stopping the Sunday Times publishing an article about the drug, Thalidomide, violated the *European convention on human* rights.

In a decision with profound implications for British law on *contempt of court, the court* ruled by 11 votes to nine in support of claims made by the Sunday Times over its right to publish the article.

The original injunction was granted by the High Court on the application of Sir Peter Rawlinson, then Attorney-General. A few months later, the Appeal Court lifted the ban, but its decision was subsequently reversed by the Lords.

Yesterday's Human Rights Court ruling said that, while the mass media should not exceed limits necessary to the proper administration of justice, it was incumbent on them to impart information on matters of public interest, including those before the courts. The public had a right to such information.

The court rejected the approach taken by the Attorney-General which stressed the need for balance in the conflict between freedom of speech and the fair administration of justice. The court said it saw no choice between two conflicting principles, but rather a clear *principle of freedom of expression* which must be subject to *certain narrowly interpreted* exceptions.

The Thalidomide disaster, it said, was a matter of undisputed public concern, raising fundamental issues about protection against and compensation for injuries resulting from scientific developments.

The families of the Thalidomide victims, who were unaware of the legal difficulties involved, had a vital interest in knowing all the facts, it said. They could be deprived of this crucial information only if it appeared absolutely certain that its diffusion would have threatened the authority of the *judiciary — and this was not* found to be the case.

The Attorney-General's moves to stop publication did not correspond to a *social* need sufficiently pressing to outweigh the *public interest in freedom of* expression.

Sir Peter Rawlinson said yesterday he hoped the contempt of court law would be changed by the next government.

"The Law Lords pronounced on the law of England and that was the final court in England," *he said. "But I am on record as* saying that the law on contempt should be changed and it is Conservative policy to reform the law.

Mr. Harold Evans, editor of the Sunday Times later welcomed the judgment as "a ringing declaration of people's right to know what is going on" and a "condemnation of the British Government's persistent refusal to reform the law on contempt of court.

"The decision puts an inescapable duty on the next British Government, of whatever colour, to institute these law reforms and the party leaders should say, before election day, how they intend to respond to this *challenge."*

The case arose after parents of children born deformed, allegedly due to their mothers' use of Thalidomide, had opened proceedings against the Distillers Company, which manufactured and marketed the drug.

A. H. Hermann, Legal Correspondent, writes: The European Court's Human Rights' decision appears to have been based on rather broader grounds than the decision of the European Commission on Human Rights in *1977.*

It found that the restrictions imposed on the Sunday Times to prevent publication of the article were *incompatible* with the "freedom of expression" guaranteed by Article 10 of the European Convention on Human Rights, and referred the case to the European Court of Human Rights.

After the Commisson had published the article in Strasbourg as an appendix, its contents could no longer be considered confidential. In a hearing the same evening, Mr. Justice O'Connor allowed the Sunday Times to publish the article which was written five years earlier (1972) by Mr. *Phillip Knightley.*

The history of the case is closely connected with the gradual relaxation of views held by judges on the necessity of protecting courts from Press *comments. It started when the* Distillers obtained from the *Divisional Court an injunction* against the Sunday Times on the ground that by supplying the information to the public the article tried to bring public opinion to bear on Distillers' attitude.

This order was reversed by the Court of Appeal, but restored by the House of Lords, on the ground that it was wrong to prejudge the issues in pending proceedings. As Lord Reid said, from Distillers' point of view the damage had already been done by an earlier article. Though all the Law Lords accepted that the article would *not be likely to affect the court* or the witnesses, they still prohibited *its publication.*

After considering how the three courts dealt with the case, the Phillimore Committee recommended in December 1974 that conduct towards a litigant over matters on which legal procedings had been launched should not be treated as contempt of court unless it amounted to intimidation or *unlawful threats to person, pro*perty or reputation.

However, *it is now generally* accepted that though juries and *courts might be influenced,* High Courts are unlikely to pay *any attention to press comment.*

Bread prices are frozen

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE PRICE Commission yesterday decided to freeze bread prices while it investigates the two big plant bakers. Ranks Hovis McDougall and Associated British Foods wanted increases of 2p on a standard loaf.

The commission's decision immediately caused a political row. The bakers accused the commission of being "politically motivated" to give Labour an electoral advantage in the General Election, while in a speech in East Stirling last night, Mr. Roy Hattersley, Prices Secretary, strongly attacked the bakers' monopoly power in fixing bread prices.

The two bakers—which together control some two-thirds of bread production in the UK—had sought price rises of just over 6 per cent which, if implemented, would have put 2p on the price of a 28 ounce standard loaf and 1p on a small loaf.

The bakers were last allowed a 1p per loaf price rise in December but had made clear at the time that another price increase was needed to make their baking operations profitable.

*The Price Commission's in*vestigation of the bakers in the *next three months is the first to* be carried out by the present commission.

The commission had previously allowed four price rises to go unchallenged because of the damaging effect of strikes in the industry and the restructuring made necessary by Spillers' decision a year ago to pull out of baking.

Thus a price commission investigation had been expected at some time.

However, the timing of the investigation has particularly incensed the bakers. Mr. Garry Weston, chairman of ABF, said last night: "We can only assume that the announcement of this investigation is politically motivated in the light of next week's General Election, regardless of the effect that it might have on employment and future investment in the industry."

Both ABF and RHM made clear that they felt the bread industry had been over-investigated. The old Prices and Incomes Board carried out five investigations in the late 1960s and the Monopolies Commission completed a four-year probe in 1977, they said.

Also. Mr. Weston said that his company had made 70 separate *submissions to the two Price* Commissions since 1973 about *ABF's profits, costs,* and margins.

BP cuts oil for Japan again

BY SUE CAMERON

BRITISH PETROLEUM has started making further cuts in oil supplies to third party customers. The move comes two weeks after the group said it would be reshaping the whole of its oil supply *business as a* result of events in Iran.

Yesterday *BP said it would* be cutting its contract oil *supplies to Japanese third party* importers by a total of 55 per *cent from this month.* That would be followed by similar *cuts* to customers in other countries.

BP had already reduced supplies to its Japanese customers by 45 per cent earlier this year. The further cut now announced means that importers in Japan will receive *only 45 per cent of the supplies* they were obtaining from BP *this time last year.*

The BP group has been the *worst hit of all the oil com*panies by the revolution in Iran. *Last year it took roughly* 33 per cent of all its oil from Iran but at the end of December all exports of Iranian crude were stopped for 10 weeks.

Last week BP signed a long-term crude supply contract with Iran which will give the company 450,000 barrels a day of oil. But this is still nearly 66 per cent *less than the company* was lifting from Iran before the *fall of the Shah.*

BP said yesterday that its *third party oil customers—those* who are not associated with the group in any way—had already been warned that the situation in Iran would necessitate further cuts in supplies.

'No nationalisation of banks'

BY CHRISTINE MOIR

NATIONALISATION of banks, insurance companies and pension schemes is not a possibility, according to Mr. Edmund Dell, deputy chairman of merchant bankers Guinness Peat, and former Secretary of State for Trade.

"If there is any danger from government it is from an excess of control, not from a change of ownership," he told the annual conference of the National Association of Pension Funds yesterday.

In an otherwise bland *address Mr. Dell came out* strongly against concentration of investment *decisions and* direction of investment. Neither government nor the private sector as a whole had the ability to determine in which direction investment should be made.

The answer to a government's problem of funding its spending requirements, for instance, would not be solved by direction of investment, he told a questioner. "It is even possible that there ought to be a constitutional *limit* on a government's powers of borrowing."

*In order to safeguard them*selves against execessive govern*ment control, the pension funds* should avoid any further con*centration of power, and also* ensure, "so far as the interests of their contributors permit," that industry's need for capital are satisfied. The independence *of different investment* managers needed to be maintained, but Mr. Dell also recommended the managers to use their power "carefully with sophistication and with restraint."

The argument that institutions should play a greater part in supervising the performance *of company management was* easier in theory than in practice. *Direct intervention in com*pany affairs by institutional *shareholders should be kept to* a minimum.

Weather

UK WEATHER

SUNNY PERIODS, rain spreading from Scotland later.

London, Cent. S., Cent. N., S.W., N.W. England, Midlands, Wales Channel Isles

Dry, sunny periods

S.E. England, E. Anglia

Sunny periods, showers near coasts.

Edinburgh, Dundee, Glasgow, Aberdeen, Borders. S.W. Scotland, Isle of Man

Sunny intervals, becoming *rather cloudy.* Rain or drizzle later.

Rest of Scotland, Ulster

Dry at first, otherwise rather cloudy with occasional rain or drizzle.

● **Outlook:** Cloud, occasional rain.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	15	59	Lisbon	S	16	61
Algiers	C	18	64	Locarno	R	12	54
Amsdm.	C	9	48	London	C	9	48
Athens	F	18	64	Luxmbg.	C	8	46
Bahrain	S	28	82	Madrid	F	14	57
Barclna.	S	15	59	Majorca	C	17	63
Belfast	C	11	52	Malaga	S	22	72
Belgrd.	C	16	61	Malta	C	18	64
Berlin	C	13	55	M'chstr.	C	10	50
Biarritz	C	10	50	Melbne.	C	16	61
Bmghm.	C	8	46	Milan	F	11	52
Blackpl.	C	10	50	Mntreal.	C	22	72
Bordx.	C	12	54	Moscow	S	18	64
Boulgn.	C	7	45	Munich	R	4	39
Bristol	F	11	52	Nairobi	R	21	70
Brussels	F	10	50	Naples	F	16	61
Budpst.	F	17	63	Nwcastl.	C	9	48
B. Aires	S	20	68	N. York	R	14	58
Cairo	S	26	78	Nice	C	12	54
Cardiff	R	9	48	Oporto	F	15	59
Cas'b'ca	S	17	63	Oslo	R	5	41
Cape T.	C	18	64	Paris	C	10	50
Chicago	C	11	52	Perth	C	22	72
Cologne	R	9	48	Prague	C	13	55
Cpnhgn.	S	9	48	Reykjvk.	R	8	46
Corfu	C	20	68	Rhodes	S	21	70
Dublin	C	12	54	Rio J'o	C	27	81
Dbrvnk.	R	13	55	Rome	F	17	63
Ednbgh.	C	10	50	Salzbrg.	C	10	50
Florence	F	14	57	Singapr.	S	31	87
Frankfurt	R	8	46	Stckhm.	F	12	54
Funchal	C	17	63	Strasbg.	C	9	48
Geneva	C	8	46	Sydney	C	22	72
Gibrltr.	S	21	70	Tangier	S	18	64
Glasgow	C	11	52	Tehran	S	18	64
G'msey	C	9	48	Tel Aviv	S	20	68
Helsinki	C	9	48	Tenerife	S	16	61
H. Kong	S	31	87	Toronto	C	18	65
Innsbrk.	R	6	43	Tunis	F	18	64
Invrnss.	C	8	46	Valencia	F	20	68
Istanbul	F	21	70	Venice	C	14	57
Jersey	S	9	48	Vienna	R	9	48
Jo'burg	S	24	75	Warsaw	C	13	55
L. Plms.	F	19	66	Zurich	C	8	46

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

Heath backs curbs

causes of strikes, nor of industrial unrest. You had to get the consent of the people of the country is you were going to succeed.

Mr. Callaghan in an essentially defensive interview admitted that the Conservatives had a point when they called for income tax cuts, and he also agreed there was an argument against pumping too much *money into outdated industries* in order to save jobs. It was a *question of balance.*

He was also much more *positive about* the Common Market than in some recent statements, saying that in his view it was not possible for Britain to withdraw and that the bringing together of France and West Germany was "a great blessing." For political reasons, Britain should play its full part.

The issue of industrial relations *featured prominently* again yesterday when for the first time Mr. Len Murray, TUC general secretary, entered the argument. He suggested if there was confrontation between unions and a Tory Government that would be the fault of the Conservative leadership which had a "two-faced" attitude to the unions.

In a confident forecast during a BBC Radio phone-in programme, Mr. Roy Hattersley, Prices Secretary, said inflation was now below 10 per cent and there was now "no prospects of it taking off again in a dramatic or disastrous way."

The Liberals yesterday announced their plans for a radical reform of the tax system, and said they would finance the planned large reduction in income-tax by raising the present payroll tax on employers. Mr. John Pardoe, the party's deputy leader, said this was the best way of shifting the tax burden from individuals.

Continued from Page 1

Engineers union

"Someone, somewhere, has got to take on the employing class on the shorter working week. We have got to have some battles on shorter hours."

Mr. Duffy said that he and *many others believed that this* issue was of "paramount importance" in the *long term.* The whole of the working class should be mobilised in support of shorter working hours and harmonisation of conditions between manual and white collar workers.

On the latter issue, the employers have agreed to join the unions in a working party but have said they cannot make *concessions* to manual workers which would lead to white collar *claims to maintain differentials* in conditions.

Mr. Duffy said that the manual unions could never give an assurance that there would not be consequential claims.

The unions are seeking to increase the basic craftsman's rate from £60 to £80 a week, with proportionate increases for other grades. The employers have offered a new craft rate of £65.

Since actual earnings are decided at local level, it is always uncertain how enthusiastic engineering workers will be for industrial action over the national claim.

Delegates yesterday called for immediate activity in districts and factories to prepare the membership. If the negotiations faill the issue will be an important test of the new moderate AUEW leadership under Mr. Duffy.

Mr. Gavin Laird, executive member, said the AUEW had *made it plain to other* unions in the confederation that it regarded the employers' "derisory" offer as entirely unacceptable.

"Unless they are prepared to make improvements on the claim in totality, we will recommend action."

Reed and Bowater consider joint venture

BY MAX WILKINSON

REED AND BOWATER, the two British newsprint manufacturers, are considering a £115m joint venture to produce 300,000 tonnes of newsprint a year at Fort William, Scotland.

This follows the recent announcement by Wiggins Teape that it may have to close its sulphite pulp mill at Fort William—with a loss of 450 jobs. The mill is too small and *obsolete to compete with the* large modern sulphate pulp *mills in North America* and Scandianavia.

The sulphite mill opened in 1966, mainly to use Scottish timber from Forestry Commission plantations. Because of a shortage of local timber, however, it has been forced to import wood chips for pulping.

Now the Government is pressing Reed and Bowater to consider setting up a newsprint mill and take advantage of an increased wood supply expected from Scottish forests in the next few decades.

A study by Finnish consultants, Jaakko Pöyry, commissioned by Wiggins Teape, *suggested an integrated* newsprint pulp and paper mill would *be the most profitable way of* using the Scottish wood and of *saving jobs in the north west of* Scotland.

Both Reed and Bowater confirmed yesterday they were considering a venture—which could only be started with a government subsidy of perhaps as much as £50m.

In talks with the Department of Industry, however, both companies have emphasised a number of major problems.

One of the most important is whether an adequate market could be found for an extra 300,000 tonnes of newsprint which would come on stream in about 1983 if the plans went ahead. This would almost double the capacity of the UK manufacturers—at present about 350,000 tonnes a year. The UK market for newsprint is about 1.25m tonnes a year and is expected to grow about 3 per cent a year.

Prices have been held down in the UK by increased imports of North American newsprint (at present about 400,000 tonnes a year) which are based on much lower wood costs.

Also, a substantial newsprint capacity increase is planned in the *Nordic countries and in* Europe, so the possibilities of exporting newsprint from Scotland are uncertain.

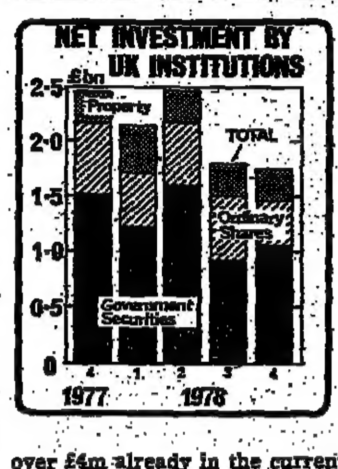
Other issues raised by Bowater and Reed include whether adequate supplies of wood could be guaranteed at a reasonable price, whether skilled labour needed to run a large modern newsprint plant is available and possible problems of transport from Scotland.

Bowater annual report Page 28

THE LEX COLUMN

Expensive dive for Vickers

Index fell 5.8 to 546.9



Nationalisation and offshore engineering have made a nasty mess of Vickers' profits in 1978. The pre-tax total is down from £25.1m to £11.7m, and the attributable figure has been wiped out by an extraordinary *charge of £18.3m. Around* two-thirds of the charge relates to the offshore business, which is on top of the division's trading loss of £7.8m in the year. This is a very heavy blow for Vickers' management, which in the space of only about four years built up an operation with net assets of some £17m—and apparently nothing but heavy losses in view. It has now been sold to the National Enterprise Board at a *knock-down price.*

At least the dividend has been maintained, and Vickers is forecasting much better profits this year. Part of its confidence stems from the progress which *is at last being made in the* negotiations to agree terms for Vickers' nationalised shipbuilding and aerospace activities. *The proceeds, when they come,* will make a big difference to the group's interest receipts.

Moreover Vickers' continuing activities are in reasonable shape—their profits before *interest in 1978 are up from* £23.6m to £26.7m. UK engineering has done particularly well, despite a loss of perhaps £½m at the Scotswood plant which is now being closed.

At a very rough guess, the current rate of group profits could be around £22m pre-tax after allowing for disposals, *closures and interest receipts* on compensation. Meanwhile, *the damage to the balance-sheet* has been mitigated by the new *treatment of deferred tax and* by the downpayments on com*pensation. Again as a rough* guide, shareholders' funds could *be* around £160m, compared with loans of about £60m and net short-term borrowings of maybe £20m. The remaining book value of the nationalised assets is £39.1m, and a property revaluation is on the way.

So the dividend prospects *look sound, and Vickers should* have enough left over from *its nationalisation proceeds to* finance a medium-sized acquisition. But that *does not* make the shares look especially attractive at 204p, where the yield is 7½ per cent.

Overseas Containers

UK industrial disputes account for roughly half of the £12m fall in Overseas Containers Ltd. pre-tax profits to £36.7m and have cost the company well over £4m already in the current year. Even so, against the background of an 18 per cent increase in container volume it is clear that OCL is now suffering from the severe recession in shipping just like its four shareholders. It is anticipating another fall in profits in the current year and the outlook for the next three to four years is far from encouraging.

The overcapacity that has dogged the traditional shipping sectors has now hit the container trades. Over the next couple of years the world fleet of deep-sea containerships will increase by close to a third—roughly twice as fast as the most optimistic assumptions for demand.

Aside from the growing rate competition from other shipping companies OCL is meeting increasing competition from the land-based Trans-Siberian railway which is capturing as much as a quarter of traffic from Japan to Europe.

While OCL's problems will not affect too badly the two smaller shareholders (Furness Withy and British and Commonwealth), it only adds to the gloomy outlook for P & O and Ocean both of which are probably losing money without the OCL contribution.

Gerrard & National

For Gerrard and National the last few months have softened the blow of earlier setbacks. First half profits had fallen "well short" of the comparable level, but for the full year disclosed net profits of the discount house are only 4 per cent lower at £4.44m, though a temporary setback at money brokers Astley and Pearce has left group net profits an eighth down at £5m.

Judging by the results Gerrard took quite a lengthy ride on gilt-edged in February and March. It seems to have cooled towards gilts since then, except for *the* variable rate variety, and margins in the discount market are very tight, with money costing around 12 per cent. Still, there must be an excellent chance of an overall drop in interest rates in the current year (after the near doubling from 6¼ per cent during 1978-79) and this is a case where the yield of 6 per cent at 232p could benefit usefully from a spell of dividend freedom.

Hoover

At first glance Hoover's first-quarter figures are perfectly dreadful—a pre-tax loss of £0.6m compared with a profit of £2.4m in what was in any case a poor first quarter of 1978. But over half the £3m deterioration is accounted for by currency translation swings, and £0.85m has been charged *this* year (above the line) for redundancy costs. *Add to this* that the hauliers' strike and dis*ruption from the bad weather* may have cost around £1m and *the underlying results, although* still very poor, are not entirely *discouraging.*

There is also some positively good news. Hoover's trading margins in the UK reached their lowest point in the first quarter and are now at last widening: a reduction in costs has resulted from redundancies, and price increases—amounting altogether to about 10 per cent in October and March—appear to be holding. Wage rises have been kept to 9 per cent and the company claims there is some genuine productivity element. The tax charge suggests that the overseas companies—South Africa more than Australia—are profitable, and the contribution from the Dutch associate is up.

But sterling is still strong, import penetration is as high as ever, with some increase in competitive pressure in the vacuum cleaner market, and the recovery at Hoover is likely to be painfully slow. The 'A' shares fell to 155p after the figures before climbing back to 170p, down 10p on the day, where they yield 10.5 per cent — a yield that should be maintained, assuming the company is still on target to beat last year's pre-tax profit figure of £5.3m. The fully-taxed p/e on profits of £6m is about 11.7.

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